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Wayne Price has defended Marx’s critique of political economy as useful for revolutionary anarchists. In the past many anarchists have agreed. But some have not, such as Kropotkin. Several topics in Marx’s economic theory are discussed, criticisms reviewed, and responses given.

World capitalism is faced with deep and lengthy problems—economic stagnation and inequality, endless wars, and ecological catastrophe, not to mention oppressions involving gender, race, nationality, sexual orientation, and so on. In response, many radicals have shown interest in Karl Marx’s economic analysis of capitalism. This includes anarchists who are looking for a theoretical basis for their opposition to the system, even while they reject the authoritarianism of the Marxist movement and the (past and present) Marxist states. In various writings, I have been among those trying to speak to this interest.

One result was my book (Price 2013) introducing Marx’s economic theories from an anarchist perspective. Reviews have been primarily positive. For example, Brian Morris (2015) wrote in Anarchist Studies that the book was “lucidly and engagingly written” (105) and was “highly recommended.” (108). This was in spite of the book’s weaknesses (looking at it in hindsight), such as the inadequate discussion of money. Those who might dislike my book have probably not bothered to read it.

Over the years, a few anarchists have denounced me as “really” being a Marxist rather than a true-blue anarchist, because I value certain aspects of Marxism, especially its economic theories. This is even though I have clearly stated my opposition to Marx’s program of a “workers’ state”, nationalization and centralization of the economy, electoral party-building, etc. I have written of my opposition to all the “Marxist” states, regarding them as state-capitalist, to Marx’s determinism, and, indeed, to Marxism as a total worldview.
“Wayne Price also highlights the serious limitations of Marx’s politics.” (Morris 2015; 105)

I regard myself as in the broad, mainstream, tradition of revolutionary, class-struggle, anarchist-socialism (Schmidt & van der Walt 2009). However, I do not really care whether others see me as an “orthodox anarchist,” whatever that would be. I have long since lost interest in being orthodox in anyone’s eyes. Of course, I am aware that I am imperfect and—I hope—I am capable of learning from criticism.

There has been one rather detailed attack on my anarchist appreciation of Marx’s political economy. I wrote a critical review (Price 2014) of Ron Tabor’s The Tyranny of Theory (2013), expressing my disagreement with Tabor’s rejection of most of Marx’s economic theory. Peter Rush (2014) also wrote an extensive (and highly laudatory) review of Tabor’s book, in the course of which he included a denunciation of my review and my opinions. Rush claimed that I believe “in some of Marx’s most absurd theories.” Because I was not persuaded by Tabor’s arguments, Rush concluded “that Price’s starting point includes a strong belief in a great deal of the Marxism that Tabor is criticizing, and that he is…ideologically committed to preserving these beliefs...” (12) You can’t win over everyone!

Other Anarchists on Marx’s Economic Theories

Many anarchists have agreed with Marx’s economic views, beginning with the founder of revolutionary anarchism, Mikhail Bakunin. Despite his bitter conflict with Marx in the First International, “Bakunin...still referred to Marx’s Capital as a ‘magnificent work’....Bakunin knew of no other work that contained ‘an analysis so profound, so luminous, so scientific, so decisive...and so merciless...of the formation of bourgeois capital and the systematic and cruel exploitation that capital continues over the work of the proletariat’.” (Graham 2015; 163-4) There were many “anarchists in the


http://www.anarkismo.net/article/ 26583?search_text=Wayn...Price
Marx’s rare statements about the transition to an eventual classless, stateless, communism actually permitted the development of state capitalism. “His pronouncements in this respect remained opaque….The planned economy controlled from above, the new state-apparatus which realized party dictatorship—all this…could well appear to conform to Marxian theory….The Marxism evolved by Marx and Engels…had not been able to rid itself of its bourgeois inheritance…” (Mattick 2007; 153-4)

And yet, “the Marxian analysis of the capitalist mode of production and of its historical development is as pertinent as ever;…none of of the social problems that beset Marx’s world have ceased be-setting the world of today and [they] are visibly driving it towards its own destruction….The proletariat not only exists but increases all over the globe with the capitalist industrialization of hitherto-underdeveloped nations….In brief, all capitalistic contradictions remain intact and require other than capitalistic solutions.” (154)

From the point of view of revolutionary class-struggle anarchist-socialism, I believe that this judgement remains true, both the negative statements about Marx’s Marxism as well as the positive ones. Marx’s critique of political economy remains useful for anarchists.

References


International who admired Marx’s critique of capitalism, while rejecting his politics...” (260) Again: “Marx’s analysis of the core features of capitalism deeply impressed the early anarchists.” (Schmidt & van der Walt 2009; 85)

Such opinions have continued to be held by various modern-day anarchists. Murray Bookchin wrote, “With Bakunin, I share the view that Marx made invaluable contributions to radical theory, contributions one can easily value without accepting his authoritarian politics or perspectives. For anarchists to foolishly demonize Marx...is to abandon a rich legacy of ideas that should be brought to the service of libertarian thought...Which does not mean that we have to accept Marx’s grave errors about centralism, his commitment to a ‘workers’ party,’ his support of the nation-state, and the like....” (1997; 54)

Not all anarchists liked Marx’s critique of political economy. Peter Kropotkin rejected it entirely. (He had a big argument with Carlo Cafiero about this.) I will discuss some of Kropotkin’s objections below. In any case, agreement with anarchists from Bakunin to Bookchin does not prove that I am right, only that seeing positive uses for Marx’s economic opinions may be consistent with anarchism.

There is also a minority tradition within Marxism which interprets it in a radically democratic, anti-statist, humanistic, and proletarian manner. Such views were held by William Morris, Rosa Luxemburg, C.L.R. James, Raya Dunayevskaya, Erich Fromm, Paul Mattick, and others. I would not argue that these libertarian (autonomous) Marxists were “correct” in their interpretation of Marx, as compared with the authoritarian mainstream of Marxism. I only note that some radicals found it possible to combine Marxist economic theory with politics which were very close to anarchism.
First Topic: Concentration of Capital

In my review (Price 2014) I acknowledged that capitalism had changed over the century and a half since Marx wrote Capital. But I believe that Marx’s overall understanding of capitalism has held up pretty well. Peter Rush denies this. As far as he (and, he says, Tabor) can see, Marx has been completely wrong and his views are of no worth whatsoever. I will now discuss a few of the topics raised by the Rush/Tabor argument—and also touch on the views of Kropotkin. (To respond to all the issues raised by Rush and Tabor would require another book.)

In my review I wrote that Marx predicted “the growth of larger and larger capitalist enterprises, in semi-monopolistic form…” which would lead to increased state intervention. He wrote in a time when almost all business firms were family enterprises, competing on a mostly free market. The classical political economists—like the neoclassical economists of today—used models of freely competing capitalist enterprises. Marx (and only Marx) predicted the rise of giant firms which would dominate the market, and would require increasing capital/state integration.

To which Rush (2014) responds, “Not really. The growth of the trusts in the 1890s was probably the closest capitalism has come to fulfilling Marx’s predictions, and countervailing tendencies have stopped the process of unlimited concentration that Marx actually predicted…. Only in banking would it be accurate that we have more concentration now than ever before. Marx’s prediction was fundamentally totally off…. I don’t think Marx anticipated transnational conglomerates…. (14) He claims that, besides predicting “unlimited concentration,” Marx expected “the total concentration of all capitalist enterprises into fewer and fewer…and the takeover of the capitalist industries by the state…. Wayne, hello, none of these things happened.” (15)

Similarly Tabor (2013) writes, “While many of the tendencies Marx discerned certainly do exist, they have been offset by var-

Marx forecast…. If such a revolution is not inevitable, nothing remains for a true Marxist to do…. I am not interested in being “a true Marxist.” However, I do agree that Marx worked his entire life to bring about a revolution of the working class and its allies—making some big mistakes but also some major contributions. “If such a revolution is not inevitable, nothing remains” for an antiauthoritarian socialist to do but to continue to work for a proletarian revolution.

This was also an issue among anarchists. Errico Malatesta criticized Kropotkin for his belief that anarchist communism was inevitable. I doubt that there are any anarchists today—and not that many Marxists—who would claim that a revolution is inevitable before nuclear war or global warming or other civilization-destroying catastrophe. And many anarchists (including Bookchin) have written off the working class. This is somewhat contradictory, since the proletariat is the majority in the imperialist (industrialized) countries and at least a large minority in the rest of the world. If the working class is not revolutionary there cannot be a popular revolution! It is true that the working class is not currently for socialist revolution, and many workers (in the U.S.) are quite conservative, but this was not always true and what is true today is not necessarily true forever. History is not over. “Nothing remains to do” but to work for a total social change. It is not a matter of prediction but of commitment.

Conclusion: “The Marxian Analysis is as Pertinent as Ever”

Paul Mattick, Sr., wrote a 1962 essay on Karl Korsch (both were libertarian Marxists—“council communists”—and Mattick joined the IWW in the U.S.). They criticized Marxist “philosophy,” namely, “The inflation of dialectical materialism into an eternal law of cosmic development, which Friedrich Engels initiated…. “They felt that
comes the eventual motive-force of revolution...even if they seem backward at a given time and place. Capital, after all, is nothing but the demonstration of the economic basis of this proposition.” (Draper 1992; 10)

Marx argued that capitalism has created a collectivized, cooperating, class of waged (and salaried) workers (and their families). This class grows from a large minority of the population to a majority (including “blue collar,” “white collar”, and “pink collar” workers). They are concentrated in factories and workplaces, and in cities. Potentially they have great strategic power, with their hands on the means of production, transportation, communication, and services. The system creates a mass of poverty, unemployment, and suffering at its lowest levels. Even the better-off workers are affected by exploitation, periodic depressions, job insecurity, and other evils (such as wars and ecological disasters). The workers tend to develop a consciousness of their common exploitation and then a revolutionary desire to transform society.

Is this perspective true? Tabor simply does not discuss it. Instead he focuses on the question of whether Marxism says that a proletarian revolution is inevitable. He concludes that Marx sometimes indicated that he thought it was inevitable but sometimes implied only that it was possible—but that the emphasis of Marx’s writing was on inevitability. Tabor argues—correctly, in my opinion—that the concept of socialism as inevitable points in a totalitarian direction. If revolution is inevitable, then there is no moral choice involved and no freedom; if history then produces mass-murdering totalitarian states which call themselves “socialist,” there is no moral reason allowed to reject them. This argument is valid, but Tabor does not discuss whether Marx has demonstrated that there are forces at least pushing in the direction of working class consciousness—forces which make a revolution of the working class and its allies possible, even if not inevitable.

Rush concludes, “Everything that Marx worked for his entire life...was aimed at bringing about the proletarian revolution that...ious counter tendencies, so that the extreme economic concentration...that Marx envisioned has not come to pass. Thus, while capital does get concentrated and centralized, and many enterprises and corporate entities do get larger, capitalistic development also continually generates smaller capitals and smaller enterprises....The modern state certainly intervenes in the economy to a far greater extent than it did in Marx’s day, but it has by no means taken over anything approaching the majority of capitalist enterprises.” (164-5)

It should be clear from the above that Tabor and Rush are not really denying that capitalism has tendencies to concentration, centralization, monopolization, and statification—tendencies which have appeared in the past and which continue today. (This acknowledgement saves me from having to go through the major industries in the US and internationally, pointing out the many that are dominated by semi-monopolies of a few giant companies.) They merely insist that there are “counter tendencies” which modify and limit these centralizing tendencies. “Marx’s prediction was fundamentally totally off” only if they are right that he had predicted “unlimited concentration” of capital, “total concentration,” “extreme economic concentration,” and state takeover of a “majority of capitalist enterprises”—while overlooking the existence of “countervailing tendencies.”

What Did Marx Say About Centralization of Capital?

Marx actually discussed this topic, specifically in Volume 1 of Capital (1906), as part of “the general law of capital accumulation.” He predicted that there will be a general growth and accumulation of capital (wealth which can be used for production of more wealth). Capital is driven to carry out the laws of capitalism by competition. As capitals grow, the mass of total capital in the econ-
omy grows. This also causes decentralization and the spread of separate capitals (businesses). He wrote, "Portions of the original capitals disengage themselves and function as new independent capitals...[causing] the division of property....The number of capitalists grows to a greater or less extent....The increase of each functioning capital is thwarted by the formation of new and the subdivision of old capitals....This splitting up of the total social capital into many individual capitals or the revulsion of its fractions one from another, is counteracted by their attraction." (685-6)

Individual capitals grow bigger ("concentration") and they also merge and take over other capitals ("centralization"). This is "their attraction," reflecting the increasing socialization of a modern economy. However, "smaller capitals...crowd into spheres of production which modern industry has only sporadically or incompletely got hold of." (687) "The additional capitals formed in the course of normal accumulation (...) serve mainly as vehicles for the exploitation of new inventions and discoveries, or of industrial improvements in general." (689) These enterprises in a new fields compete viciously until a few firms win out and dominate the industry. Meanwhile "the credit system...becomes a new and formidable weapon in the competitive struggle, and finally it transforms itself into an immense social mechanism for the centralization of capitals." (687)

Marx's summarized this trend: "Nowadays, then, the mutual attraction of individual capitals and the tendency to centralization are stronger than ever before.... Centralization in a certain line of industry would have reached its extreme limit if all the individual capitals invested in it would have been amalgamated into one single capital. This limit would not have been reached in any particular society until the entire social capital would be united, either in the hands of one single capitalist, or in those of one single corporation." (687-8) He did not mention government ownership (although it is hard to imagine the unification of "the entire social capital" without a merger with the state).
As raw materials get used up and more difficult to access, they require more labor to mine and this raises their value. And, as natural materials become rarer, they become monopolies and semimonopolies, permitting their owners to drain off value from the total value produced elsewhere. In fact, Marx had a lengthy discussion of how the landlords’ monopoly of natural land leads to various forms of (unproductive) rent, draining surplus value from the capitalist manufacturers.

Much more could be written about Marx’s approach to value (and has been). The point here is that Marx was fully aware of the contribution—and necessity—of nature, its materials and process, in creating exchange value. Marx used a value analysis to expose how capitalism misused nature. (There are a number of books which discuss Marx’s theories in relation to nature; Tabor and Rush should have looked at them before commenting on the topic. See Burkett 2005; 2014; Foster 2000; 2009.)

Kropotkin and Other Anarchists on Value

Kropotkin criticizes “certain economists [who] tell us that ‘in a perfectly free market the price of commodities is measured by the amount of labor socially necessary for their production’....Modern economists of both the middle class and the social-democratic camps...do not know that every law of nature has a conditional character....In every case there is an ‘if’—a condition.” (1975; 80-2) While various Marxist writers may have expressed themselves in absolutist terms, Marx (1906) clearly explains that all his “laws” are best seen as “tendencies,” which are modified and interfered with by countervailing tendencies.

While various Marxist writers may have expressed themselves in absolutist terms, Marx (1906) clearly explains that all his “laws” are best seen as “tendencies,” which are modified and interfered with by countervailing tendencies.

Schmidt & van der Walt (2009) summarize the criticisms of Marx’s value theory by Kropotkin, Alexander Berkman, and some other anarchists: ”Prices were affected [not only] by labor time, [but also] by levels of supply and demand, and were also manipu-
would still be capitalism. The disagreement was that Marx thought that nationalization by some sort of “workers’ state” would be the beginning of socialism. The anarchists did not believe in the possibility of a “workers’ state,” and expected such a program to lead to state capitalism with a bureaucratic ruling class—which it did.

In my opinion, Engels (as compared to Marx) understated the continuation of competition and the countervailing tendency of capital to split, even under conditions of monopoly and statification. However, he did point to the fragility of the centralization tendency. “Trusts..., as soon as business becomes bad, are generally liable to break up.” (384) Engels then pointed to countervailing tendencies of a political nature. With trusts and monopolies, “the exploitation is so palpable that it must break down. No nation will put up with production conducted by trusts, with so barefaced an exploitation of the community by a small band of dividend-mongers.” (384)

As we know, there have been limited anti-trust laws passed and used to keep monopoly within certain boundaries, for the sake of the overall capitalist system. In the Soviet Union this “break down” was postponed for a long time because there were no “dividend-mongers,” just “salaried employees,” and because the “barefaced exploitation” was masked by a pseudo-socialist ideology.

Engels wrote, “The capitalist relation is not done away with. It is rather brought to a head. But, brought to a head, it topples over.” (386) Exactly what he meant by this is unclear (at least to me). Possibly he meant that there might be some sort of economic crisis would cause the system to crash. Or he may have expected that if capitalism reached such a degree of unification, it would provoke a revolution. Nor is it clear whether Engels expected capitalism to actually evolve into a completely statified form, before there was a socialist revolution. When he wrote that “the state will ultimately have to” take over the capitalist economy, just what did he mean by “ultimately”? Did he expect capitalism to reach this “ultimate” development? What is
Rush (2014) also feels that the labor theory of value “has no validity…it is effectively meaningless.” Tabor gives several reasons, but his main reason is that Marx does not take into consideration the value added by nonhuman natural resources. “The products of nature do have value behind what human labor may add to them….Human labor is not the sole source of value...” (2013; 135) This, or something like it, is a widespread criticism. “It is often argued that Marx’s value analysis understates nature’s importance as a condition of capitalist production...[but these] assertions are based on a fundamental misunderstanding of Marx’s value theory.” (Burkett 2014; 69)

As Tabor acknowledges, Marx did not deny the importance of nature. In his “Critique of the Gotha Program,” Marx attacked the statement that "Labor is the source of all wealth." Instead, he wrote, “Labor is not the source of all wealth. Nature is just as much the source of use-values (and surely these are what make up material wealth!) as labor.” (1992; 341) The relation of natural resources and processes to value is covered repeatedly in Capital (Marx 1906).

Marx distinguishes between the use-value (utility) of a commodity, and its value (the main basis of price). Air has enormous use-value but no value. Capitalist manufacturers care only that the product they make has a use-value for someone else who has money to buy it. The manufacturers do not themselves care otherwise about the use-value of their product. All they care about is the value: that is, they spend money to make the product and hope to make back even more money after selling it. They care about their total wage bill, their total cost of materials, and the total amount of time it takes to make the things. Not what use their products are.

If they can get the workers to make more of the commodities in the same amount of time, this raises the total use-value (there are more of whatever they are making) but not necessarily the value. Suppose 10 hours of labor had been used to make 100 wickets, but now 10 hours can produce 200 wickets. They are using up more wicket-material in 10 hours, but not more labor time, so the wick-
bly he would have mitigated the absoluteness of his early formu-
lae...” (145) As I have demonstrated, Marx’s “formulae” of a tend-
ency toward centralization were not “absolute.”

Kropotkin did not wholly deny the existence of such a tendency. De-
spite “the extreme slowness with which the wrecking of small indus-
tries goes on...a number of petty trades in Germany are already
doomed to disappear... The hand-loom against the power-loom is
evidently nothing but a survival....The same [growth] is true with
to regard to many branches of the iron industries, hardware fabrica-
tion, pottery, and so on.” (145) “The great iron works and mining
enterprises decidedly belong in this category; ocean steamers can-
not be built in village factories.” (153)

However, he also argued that much of the economic central-
ization and concentration was not due to technology—not to in-
creased productivity due to improved machinery. Rather it was
due solely to reasons of capitalist profitability. There was increased
cheapness in mass buying, decreased expenses in wholesale selling,
better ability to dominate and organize the market, greater control
over the work force, etc.. Such factors led to big firms and big fac-
tories regardless of technical improvements in productivity.

Marx’s analysis would not disagree with this important point.
This is especially true in the epoch of monopoly-finance capital, of
the financialized accumulation of fictitious capital, and of modern
imperialism.

Kropotkin had a different approach to economics than Marx
had, although both approaches are valuable. Marx was interested
in showing the workers how capitalism worked and what factors
within it could lead to a socialist revolution. But Kropotkin wrote,
“Political economy...become[s] a science devoted to the study of
the needs of men and of the means of satisfying them with the least
possible waste of energy...” (17) That is, his focus was on what a future society could be like. Because of this perspective, he was
mostly interested in demonstrating that a more decentralized, self-
managed, society was technologically possible under communism.

Second Topic: The Labor Theory of Value and
the Law of Value

A central part of Marx’s critique of political economy is the “la-
bor theory of value.” Despite their many qualitative differences, all
the goods and services of the economy may be evaluated quanti-
tatively as worth certain amounts of (some sort of) money. Eco-
nomically speaking, this is their “value.” Like almost all political
economists before him (Smith, Ricardo, Proudhon, etc.), Marx re-
garded the basis of value to be the amount of labor that went
into making each commodity. Commodities with equal amounts
of labor have equal values and are exchanged for each other—via
money (this is the “law of value”). All societies have ways of organ-
izing their total supply of human labor. The law of value, enforced
through competition, is the way in which capitalism organizes its
total labor.

There is, however, a process by which values are expressed in
money prices: what counts is not the actual labor which goes into
each commodity but the average socially necessary amount of la-
bor time it takes to make that commodity; competition causes
the unpaid part of the labor (surplus value) of each commodity
to be expressed in the average rate of profit; immediate supply-
and-demand moves prices up and down in the short term; and
monopoly power may raise or lower the prices. (This is gone into in
more detail in Price 2013; also see its recommended further read-
ing.) In any case, Marx is not really interested in predicting the
specific prices of individual commodities, but in the overall move-
ments of the economy.

Tabor rejects Marx’s view of value. “…Marx’s theory of value is
either wrong or in need of considerable modification.” (2013; 135)