

DEMOCRACY AGAINST CAPITALISM:

CONCLUSION PART 3

Index to all posts in this series.

In the first two parts of this conclusion, I describe the views of Ellen Meiksins Wood, based on her book, *Democracy Against Capitalism*, and the friendlier vision of capitalism offered by Bruce Scott. See posts 12 and 13 in the index for links. In this post I examine some of the similarities between the two views.

1. Both Scott and Wood use the principles of historical materialism, the basic idea underlying Marxist scholarship. It holds that the social structures that exist at any point are the result of an evolutionary process, and are contingent on the specific circumstances of each society and the actions of individuals and the society as a whole. Scott does not use the term historical materialism, and he certainly isn't a Marxist, but doesn't exactly repudiate Marx either.

Karl Marx supposed that liberal markets would be dominated by capitalists (i.e., powerful economic actors), which would lead to their domination of the political system as well. There was some truth to this at the time that he wrote, and it can certainly still happen today, but it is not a necessary outcome as he supposed. P. 62.

However, Scott does follow the general principles of historical materialism. He compares the evolution of capitalism in the US to its evolution in other societies and to the evolution of the economies of other societies. This gives him an outside vantage point which he fully uses.

2. Wood and Scott agree that the separation of

political economy into politics and the economy was central to the evolution of capitalism. Wood opens with a discussion of this separation and its importance. Scott emphasizes the role of human agency in the evolution of capitalism.

This essential human role means that capitalism is a mix of sociology, administration, politics, economics, and law, and that any theory of capitalism must include not only an economic level but also a political level, what I call here the third level of political authority. P. 50.

Scott says that capitalism shifts governance of the economy to the private sector through a three-tier system: a democratically elected political authority, institution/infrastructure intermediaries, and firms, with all three levels acting and interacting. This is close to Wood's view that the private sector controls the economy subject only to the barest intervention by the state. Scott seems to agree with Wood's assertion that the private sector controls the lives of the productive sector with little or no democratic oversight. Scott doesn't address this latter point except indirectly. See, e.g. pp. 128, 448, 455, and others. Wood and Scott agree that democratic control of the economy is crucial to a balanced society. Both would benefit from reading modern scholarship on this issue and its history. For those interested, a good place to start is Michel Foucault, *Discipline and Punish*, the subject of this post.

3. Wood relies on Marx' laws of motion of capitalism and other formal statements of Marxism. She goes to some lengths, as do other Marxists, to define terms. Scott echoes this. He carefully analyzes a number of definitions of capitalism and finds them wanting, before moving on to his own definition.

Scott's definition is based on his observations of the way capitalism works. Marx also described capitalism as he saw it and Scott says Marx was

right to think that capitalism would eventually become a struggle between the capitalists and the proletariat, because government had not begun to intervene at that time. See p. 29.

4. Wood insists that Marxian descriptions of the economy are the most accurate, and her book tries to apply those principles to the way things are today. Her recommendations for change and the road to change are straight out of Marx.

Scott is committed to capitalism as the best way to manage the economy. He recognizes that there are problems, but he sees deviations from his model as something to be corrected, not as the natural working of the system. For example, take cable companies. Government and the cable companies arranged the system from the outset to entrench their monopolies in a process that totally ignored public input. The government doesn't force any real competition, as it does in France, or intervene in price-setting. Absent competition, it's hard to call cable a capitalist market, or a market at all. That isn't a deviation from Scott's model, it's the way US capitalism works. At some point the deviations from the model tell us that we should rethink the model. We could, for example, treat the model as an ideal form, and use it to change a system. Or we stare coldly at the real problems we face and come up with a new model.

Wood's commitment to Marx leads to failure to come to grips with the changes in the organization of society and technology in the century since Marx wrote, and her apparent failure to come to grips with non-Marxist thinkers, including Foucault, the Frankfurt School, and Pierre Bourdieu among those I have read for this project. Scott doesn't discuss these either, even as he says that to analyze capitalism properly we have to take politics and sociology into account. P. 50. Neither focuses on the actual problems facing our society, especially climate change.

5. Both Wood and Scott reject neoliberal doctrine without exactly acknowledging it. Wood

thinks that neoliberalism is just the name of the ideology developed to support the form of capitalism Marx predicted. See this article, which I took up in post 6 in the linked index. Scott is equally dismissive. See, e.g. p. 62; here's a brief taste:

Followers of Friedman tend to not only overlook but also actively reject this role of government in the capitalist system. According to them, informed, voluntary, and bilateral transactions are the essence of a self-regulating capitalist system and therefore that system can and must be free from governmental coercion. But in reality, coercion is to be found in most capitalist markets; large firms coerce those that are smaller, a patent holder enjoys market power, an employer typically authorizes only one employee to make a job offer to a prospective employee, and employees may or may not organize to bargain in a similar format.

As I have said repeatedly in this series, you don't have to be a Marxist to reject neoliberal capitalism. All it takes is a clear head and a willingness to stare at reality.