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Generalized-monopoly capitalism

Contemporary capitalism is a capitalism of generalized monopolies. By this I mean that monopolies are now no longer islands (albeit important) in a sea of other still relatively autonomous companies, but are an integrated system. Therefore, these monopolies now tightly control all the systems of production. Small and medium enterprises, and even the large corporations that are not strictly speaking oligopolies, are locked in a network of control put in place by the monopolies. Their degree of autonomy has shrunk to the point that they are nothing more than subcontractors of the monopolies. This system of generalized monopolies is the product of a new phase of centralization of capital in the countries of the Triad (the United States, Western and Central Europe, and Japan) that took place during the 1980s and 1990s.

The generalized monopolies now dominate the world economy. ‘Globalization’ is the name they have given to the set of demands by which they exert their control over the productive systems of the periphery of global capitalism (the world beyond the partners of the triad). It is nothing other than a new stage of imperialism.

This capitalism of generalized and globalized monopolies is a system that guarantees these monopolies a monopoly rent levied on the mass of surplus value (transformed into profits) that capital extracts from the exploitation of labour. To the extent that these monopolies are operating in the peripheries of the global system, monopoly rent is imperialist rent. The process of capital accumulation – that defines capitalism in all its successive historical forms – is therefore driven by the maximisation of monopoly/imperialist rent seeking.

This shift in the centre of gravity of the accumulation of capital is the source of the continuous concentration of income and wealth to the benefit of the monopolies, largely monopolized by the oligarchies (‘plutocracies’) that govern oligopolistic groups, at the expense of the remuneration of labour and even the remuneration of non-monopolistic capital.

Socialize the ownership of monopolies

The effectiveness of the alternative response necessarily requires the questioning of the very principle of private property of monopoly capital. Proposing to ‘regulate’ financial operations, to return markets to ‘transparency’ to allow ‘agents’ expectations’ to be ‘rational’ and to define the terms of a consensus on these reforms without abolishing the private property of monopolies, is nothing other than throwing dust in the eyes of the naive public. Monopolies are asked to ‘manage’ reforms against their own interests, ignoring the fact that they retain a thousand and one ways to circumvent the objectives of such reforms. The alternative social project should be to reverse the direction of the current social order (social disorder) produced by the strategies of monopolies, in order to ensure maximum and stabilized employment, and to

ensure decent wages growing in parallel with the productivity of social labour. This objective is simply impossible without the expropriation of the power of monopolies.

Monopolies are institutional bodies that must be managed according to the principles of democracy, in direct conflict with those who sanctify private property. Although the term 'commons', imported from the Anglo-Saxon world, is itself ambiguous because always disconnected from the debate on the meaning of social conflicts (Anglo-Saxon language deliberately ignores the reality of social classes), the term could be invoked here specifically to call monopolies part of the 'commons'.

The abolition of the private ownership of monopolies takes place through their nationalization. This first legal action is unavoidable. But audacity here means going beyond that step to propose plans for the socialization of the management of nationalized monopolies and the promotion of the democratic social struggles that are engaged on this long road.

I will give here a concrete example of what could be involved in plans of socialization.

'Capitalist' farmers (those of developed countries) like 'peasant' farmers (mostly in the South) are all prisoners of both the upstream monopolies that provide inputs and credit, and the downstream ones on which they depend for processing, transportation and marketing of their products. Therefore they have no real autonomy in their 'decisions'. In addition the productivity gains they make are siphoned off by the monopolies that have reduced producers to the status of 'subcontractors'. What possible alternative?

Public institutions working within a legal framework that would set the mode of governance must replace the monopolies. These would be constituted of representatives of: (i) farmers (the principle interests), (ii) upstream units (manufacturers of inputs, banks) and downstream (food industry, retail chains) and (iii) consumers, (iv) local authorities (interested in natural and social environment - schools, hospitals, urban planning and housing, transportation), (v) the State (citizens). Representatives of the components listed above would be self-selected according to procedures consistent with their own mode of socialized management, such as units of production of inputs that are themselves managed by directorates of workers directly employed by the units concerned as well as those who are employed by sub-contracting units and so on. These structures should be designed by formulas that associate management personnel with each of these levels, such as research centers for scientific, independent and appropriate technology. We could even conceive of a representation of capital providers (the 'small shareholders') inherited from the nationalization, if deemed useful. The proposed procedure would abolish the position of power through which the monopolies exploit workers and subcontractors by means of the price-structures imposed on them. In its place would be a power founded on social solidarity, and truly just prices structured on the basis of equal rates of profit for all enterprises. This system would thus allow "a different development." A more effective and more rational development path because it would answer to society's collective choices, would bring the whole productive

system onto the path of progress, and would stave off the destructive effects characteristic of monopoly capitalism. This is a state-capitalist model designed to be open to evolving in ways governed by a socialist perspective: it should be regarded as the form of "market socialism" required at the current stage. Obviously this procedure implies abolishing the principle that shareholder value should be maximized, the principle which underlies financialization that serves the interests of the generalized monopolies alone.

We are therefore talking about institutional approaches that are more complex than the forms of 'self-directed' or 'cooperative' that we have known. Ways of working need to be invented that allow the exercise of genuine democracy in the management of the economy, based on open negotiation among all interested parties. A formula is required that systematically links the democratization of society with social progress, in contrast with the reality of capitalism which dissociates democracy, which is reduced to the formal management of politics, from social conditions abandoned to the 'market' dominated by what monopoly capital produces. Then and only then can we talk about true transparency of markets, regulated in institutionalized forms of socialized management.

The example may seem marginal in the developed capitalist countries because farmers there are a very small proportion of workers (3-7 percent). However, this issue is central to the South where the rural population will remain significant for some time. Here access to land, which must be guaranteed for all (with the least possible inequality of access) is fundamental to principles advancing peasant agriculture (I refer here to my previous work on this question). 'Peasant agriculture' should not be understood as synonymous with 'stagnant agriculture' (or 'traditional and folklorique'). The necessary progress of peasant agriculture does require some 'modernization' (although this term is a misnomer because it immediately suggests to many modernization through capitalism). More effective inputs, credits, and production and supply chains are necessary to improve the productivity of peasant labor. The formulas proposed here pursue the objective of enabling this modernization in ways and in a spirit that is 'non-capitalist', that is to say grounded in a socialist perspective.

Obviously the specific example chosen here is one that needs to be institutionalized. The nationalization / socialization of the management of monopolies in the sectors of industry and transport, banks and other financial institutions should be imagined in the same spirit, while taking into account the specificities of their economic and social functions in the constitution of their directorates. Again these directorates should involve the workers in the company as well as those of subcontractors, representatives of upstream industries, banks, research institutions, consumers, and citizens.

The nationalization/socialization of monopolies addresses a fundamental need at the central axis of the challenge confronting workers and peoples under contemporary capitalism of generalized monopolies. It is the only way to stop the accumulation by dispossession that is driving the management of the economy by the monopolies.

The accumulation dominated by monopolies can indeed only reproduce itself if the area subject to 'market management' is constantly expanding. This is achieved by excessive privatization of public services (dispossession of citizens), and access to natural resources (dispossession of peoples). The extraction of profit of 'independent' economic units by the monopolies is even a dispossession (of capitalists!) by the financial oligarchy.

The challenge that would face us once we enter onto the long road to communism can perhaps be summed up thusly: how are we to socialize "large-scale-production" involving many collectives (themselves also large) of social labor--entities that, moreover, interact among themselves at local, national, and global levels? In my opinion, one thing is certain: history has no reverse gear. It simply cannot be imagined that production by individual artisans and by small local collectives might replace large-scale productive operations, the very basis for full deployment of scientific and technological capabilities descended from those whose development has been initiated--albeit barely so--by capitalism.

The proposition that I have advanced by way of example tries to answer that central question. To reject this proposition on the pretext that it involves defining a political strategy to be carried out by a "party" (or a collective of parties and social organizations) comes down to believing that spontaneity alone can accomplish whatever is required.

And then, how to go further? For, indeed, socialism is not an improved form of capitalism. In my writings I have put it this way: socialism is not a "capitalism without capitalists" but a higher level of civilization. The inescapable goals of revolutionary ("marxist", as I understand that term) thought are to eradicate all types of oppression caused by exploitation, as well as the sorts of alienation involved in their workings, and to abolish wage labor and the price mechanism. But I remain convinced that our road to that goal is very long and that it is indispensable we specify our intermediate strategic objectives.

In making these proposals I have respected our need to start from our present condition, and especially from present forms of "large-scale-production." The proposed methods of social reorganization have a single aim: to abolish the control of capital (the generalized monopolies) over those forms of production, initiating its replacement with forms of governance based on democracy and negotiated linkage among partners in the modern epoch's extended division of labor.

Nationalization/socialization of the monopolies: our response to the basic exigencies that form the central axis of the challenge confronting workers and peoples under contemporary generalized-monopoly capitalism. It alone would make it possible to end the process of accumulation through dispossession dictated by the logic of economic governance by the monopolies. This formulation seeks not to define a possible organic constitution for the coming communist society. It is simply the response to the immediate challenge of escaping from

capitalism through construction of a first stage in the long socialist transition. This socialism would have, as Marx said, barely emerged from "the womb of capitalism"--and its formulation shows the marks of its birth. Nevertheless, because it is based on abolition of the capitalist monopolies' property, it counts, for me, as a revolutionary advance which--through the democratic discussions it would clear the way for--prepares the ground for further advances on the long road to communism.

The new agrarian question : the access to land for all peasants of the South

All societies before modern (capitalist) time were peasant societies and their production ruled by various specific systems and logics sharing nevertheless the fact that these were not those which rule capitalism (i.e. the maximization of the return on capital in a market society).

Modern capitalist agriculture, represented by both rich family farming and/or by agribusiness corporations, is now looking forward to a massive attack on third world peasant production. The project did get the green light from WTO in its Doha session. Yet, the peasantry still makes up half of humankind. But its production is shared between two sectors enormously unequal in size with a clearly distinct economic and social character and levels of efficiency.

Capitalist agriculture governed by the principle of return on capital, which is localised almost exclusively in North America, in Europe, in the South cone of Latin America and in Australia, employs only a few tens of millions of farmers who are no longer "peasants". But their productivity, which depends on mechanization (of which they have monopoly worldwide) and the area of land possessed by each farmer, ranges between 10.000 and 20.000 quintals of equivalent cereals per worker annually.

On the other hand, peasant-farming systems still constitute the occupation of nearly half of humanity – i.e. three billion human beings. These farming systems are in turn shared between those who benefited from the green revolution (fertilizers, pesticides and selected seeds), but are nevertheless poorly mechanized, with production ranging between 100 and 500 quintals per farmer, and the other group still excluded from this revolution, whose production is estimated around 10 quintals per farmer.

The new agrarian question is the result of that unequal development.

Indeed modernization had always combined constructive dimensions (accumulation of capital and progress of productivities) with destructive aspects (reducing labour to the statute of a commodity sold on the market, often destroying the natural ecological basis needed for the reproduction of life and production, polarizing wealth on a global level). Modernization had always simultaneously "integrated" those for whom employment was created by the very expansion of markets, and "excluded" those who, having lost their positions in the previous systems were not integrated in the new labour force. But, in its ascending phase, capitalist global

expansion did integrate along with its excluding processes. But now, with respect to the area of Third World peasant societies, it would be massively excluding, including only insignificant minorities.

The question raised here is precisely whether this trend continues and will continue to operate with respect to the three billion human beings still producing and living in the frame of peasant societies, in Asia, Africa and Latin America.

Indeed, what would happen as of now, should “agriculture and food production” be treated as any other form of production submitted to the rules of competition in an open-deregulated market as it has been decided in principle at the last WTO conference (Doha, November 2001) ?

Would such principles foster the accelerating of production ?

Indeed one can imagine some twenty million new additional modern farmers, producing whatever the three billion present peasants can offer on the market beyond ensuring their own (poor) self-subsistence. The conditions for the success of such an alternative would necessitate the transfer of important pieces of good land to the new agriculturalists (and these lands have to be taken out of the hands of present peasant societies), access to capital markets (to buy equipments) and access to the consumers markets. Such agriculturalists would indeed “compete” successfully with the billions of present peasants. But what would happen to those?

Under the circumstances, admitting the general principle of competition for agricultural products and foodstuffs, as imposed by WTO, means accepting that billions of “non-competitive” producers be eliminated within the short historic time of a few decades. What will become of these billions of humans beings, the majority of whom are already poor among the poor, but who feed themselves with great difficulty, and worse still, what will be the plight of the one third of this population (since three-quarters of the underfed population of the world are rural dwellers) ? In fifty years’ time, no relatively competitive industrial development, even in the fanciful hypothesis of a continued growth of 7 % annually for three-quarters of humanity, could absorb even one-third of this reserve.

The major argument presented to legitimate the WTO-competition doctrine alternative is that such development did happen in XIXth century Europe and finally produced a modern-wealthy urban-industrial-post industrial society as well as a modern agriculture able to feed the nation and even to export. Why should not this pattern be repeated in the contemporary Third World countries, in particular for the emerging nations ?

The argument fails to consider two major factors which make the reproduction of the pattern almost impossible now in third world countries. The first is that the European model developed throughout a century and a half along with industrial technologies which were labor-intensive . Modern technologies are far less so. And therefore if the newcomers of the third world

have to be competitive on global markets for their industrial exports they have to adopt them. The second is that Europe benefited during that long transition from the possibility of massive out migration of their “surplus” population to the Americas.

That argument – i.e. that capitalism has indeed “solved” the agrarian question in its developed centers – has always been admitted by large sections of the left, including within historical Marxism, as testified by the famous book of Kautsky – “the agrarian question” – written before world war I. Leninism itself inherited that view and on its basis undertook a modernization through the Stalinist collectivization, with dubious results. What was always overlooked was that capitalism while it solved the question in its centers did it through generating a gigantic agrarian question in the peripheries, which it cannot solve but through the genocide of half of humankind. Within historical Marxism only Maoism did understand the size of the challenge. Therefore those who charge Maoism with its so called “peasant deviation” show by this very criticism that they do not have the analytical capacity for an understanding of what is actually existing imperialist capitalism, which they reduce to an abstract discourse on capitalism in general.

Modernization through market liberalization as suggested by WTO and its supporters finally aligns side by side, without even necessarily combining two components: (i) the production of food on a global scale by modern competitive agriculturalists mostly based in the North but also possibly in the future in some pockets of the South; (ii) the marginalization – exclusion – and further impoverishment of the majority of the three billion peasants of present third world and finally their seclusion in some kinds of “reserves”. It therefore combines (i) a pro-modernization- efficiency dominant discourse and (ii) an ecological cultural reserve set of policies making possible for the victims to “survive”. These two components might therefore complement one another rather than “conflict”.

Can we imagine other alternatives and have them widely debated. In that frame it is implied that peasant agriculture should be maintained throughout the visible future of the XXIth Century but simultaneously engaged in a process of continuous technological/social change and progress. At a rate which would allow a progressive transfer to non rural – non agricultural employment. Such a strategic set of targets involves complex policy mixes at national, regional and global levels:

At the national levels it implies macro-policies protecting peasant food production from the unequal competition of modernized agriculturalists – agro-business local and international. With a view to guaranteeing acceptable internal food prices eventually disconnected from the so called international market prices (in fact also markets biased by subsidies of the wealthy North-USA/Canada/Europe).

Such policy targets also question the patterns of industrial – urban developments, which should be less based on export oriented priorities, themselves taking advantage of low wages (implying in their turn low prices for food), and be more attentive to a socially balanced internal market expansion.

A development strategy in keeping with the challenge must be based on the guarantee of access to land and to the means if its use to all peasants, as equally as possible. Yet the necessary progress of productivity of peasant family agriculture does need industries to support it. Industrialization therefore cannot be escaped from, but its patterns should not reproduce those of capitalism, which generates growing inequalities and ecological devastation. Programs that substitute to the inventing of new patterns of industrialization so called foreign aid, associated with empty discourses (good governance, alleviating poverty) are nothing but the continuation of colonial discourses. The real objective of imperialism is to marginalize peoples. For imperialism African natural resources (oil, minerals, land) are important, not African peoples who represent rather an obstacle to the plunder of resources.

Simultaneously such a choice of principle facilitates integrating in the overall scheme patterns of policies ensuring national food security, an indispensable condition for a country to be an active member of the global community, enjoying the indispensable margin of autonomy and negotiating capacity.

At regional and global levels it implies international agreements and policies moving away from the doctrinaire liberal principles ruling WTO, imaginative and specific to different areas, since it has to take into consideration specific issues and concrete historical and social conditions.

(Extracts from Samir Amin, *The implosion of capitalism* ; MR and Pluto 2014, pages 15/16 and 91/105)