GEGENSTANDPUNKT

“Jobs” — “Globalization” — “Competitiveness” ...

Some remarks about the capitalistic relation between

Work and Wealth

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Work
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Introduction

Everyone needs work — many people don't find any. You would find yourself in good company if you took that for a *social problem*, imagining that an "Alliance for Jobs"*) would be a suitable solution, with government job-creation measures and a reduction in labor costs, with an abatement of the asset tax and a redistribution of the "scarce good" work by shorter working hours, and the like. All of these "solutions," though, ignore a certain absurdity: if there is really no longer so much to do, if it really takes fewer people less time to produce necessities — then why does everybody really need work, and especially so many fully crammed working hours, to be able to live? Why doesn't the equation, less work means spared pains, work out?

Of course what we have here is something other than a "social problem," and everybody knows what it is: the fact that so many people are out of work is due to an *economic problem*. Work doesn't take place when it isn't profitable, i.e., if it doesn't bring in enough for the firm in which, and for which, it is done; that is, not enough profits to succeed in "global" competition. If this is the case, if work only takes place *if* and *as long as* it is profitable, then it only takes place *because* it provides a firm with financial returns: profitability is the *economic purpose* for which it takes place. People *have* to work; for no other reason than its profitability; for no other purpose than the never-ending mission of being profitable and bringing in money; therefore the more the better. Best to supply the entire globe, build rapid transit systems for the Chinese and outfit the sheikdoms with air-conditioning, all in order to monopolize mankind's purchasing power with the work preformed. Work to make money: this categorical imperative holds such absolute sway over prevailing conditions that all modern people must obey it to live; everybody needs some kind of work, it doesn't matter which kind. And when work doesn't take place, it's for no other reason than that it doesn't bring in enough money; something that is evidently frequently the case with every advance in the profitable utilization of labor. The economic purpose that so totally and exclusively dominates the so-called market economy is evidently the kind that gets into a contradiction with itself: mankind is compelled to work because work creates value and enriches firms; but hardly does this circus get under way then it collides with its own criterion: the compulsion to create more and more value.

It may well be that everybody has become accustomed to this madness and considers it normal — after all, even the most knowledgeable experts and most powerful managers of this "system" start to flounder a bit when they have to tell us whether there are actually *too few* people working, what with millions unemployed in the leading nations, and uncountable millions more loafing about in the rest of the world; or whether there are really *too many* people working, when plain "economic sense" dictates the closing of the last shipyards along the North Sea and Mediterranean, and while coal mines in the Ruhr can only be worked with gigantic state subsidies. In fact, both seem to be the case at the same time: too few working, because the whole point of work is more and more money, and for that there can never be enough work done; too many working, because work is about accumulating more and more money, and a lot of work falls short of this purpose. It really doesn't help to say that this is "just" the way things are — to put it politely, this "system" of profitable work is a bit contradictory.

It is an innate contradiction of the capitalist system that firstly, people unconditionally must work, and secondly therefore only very conditionally, in both respects to earn money. There's no question that states and firms can get along just splendidly with this contradiction — after all, they're the ones who organize work like this and benefit from its profitability. They *make* this contradiction a problem for those who, as the workforce, first of all unconditionally need jobs but secondly quite often don't find any; and then *they* define the material problems of the people as social problems *they* have *with* those in need.

One shouldn't approvingly reproduce this practical feat of redefinition theoretically, and, stirred by poverty, take the lie of a social problem for the real matter at hand — and then, possibly still moaning about it, search for someone to blame for the fact that the "problem" is never dealt with, despite all the "Alliances for Jobs" that are so eagerly discussed, tried out and once again abandoned. It is no less misguided to accept the criterion of profitability as the essence of economic sense, and only start getting skeptical when public opinion decides to take note of its "dark side." The reason why the "system" is absurd, why it harms the bulk of its inhabitants, is not because there is *no* work to be had *if* it is *not* profitable, but because it *is* to be had *for* its profitability. The brutality of the “system” doesn’t just start when people who need work can’t find any, but consists from the start in the fact that they *need work*; that they can’t even be sure to find any follows solely from that.

The conditions that work is subjected to in a market economy comprise the determinations, the essential defining aspects, of this mode of production. Understanding them will definitely not create any jobs. For that reason, we hereby encourage the reader to proceed.

*) Alliance for Jobs, Training and Competitiveness (Bündnis für Arbeit, Ausbildung und Wettbewerbsfähigkeit): a platform for discussions between the German Federal Government and representatives of the industrial associations and trade unions. [ed.]

I

In a market economy, the purpose of work is not to supply mankind with the variety of useful goods it needs, with material wealth, but to make money. All members of bourgeois society, across all classes and social ranks, are in agreement with the same economic objective of acquiring property in the form of money. For it holds equally true for all that the satisfaction of needs does not depend solely on the existence of useful things but rather on the title to them, on the right to exclude others from them — on property. And it is as property that the needed products of labor come into this world, as objects of a private right of disposal that are withheld to begin with from those in material need of them.

That is why there is one difference that decides the economic fate of the members of this egalitarian moneymaking society: whether they already have money or first have to earn some. Those who have to work first in order to acquire some property, because the material wealth of society belongs to others, need somebody who has money and pays them for their labor. This necessity confronts them with the fact that their work is only very conditionally a means for them to acquire some well-earned money that provides a bit of access to the world of commodities. In order to perform this service for them, their work must definitely prove itself a means for their employer — for his identical goal. So, those who work for money serve property doubly: their own and that of someone else. And vice versa: those in a market economy who have enough money are in a position to provide a money income to others, and augment their own property through the services of labor they buy.

In its irrepressible egalitarianism, the market economy counts both sides among its "gainfully employed." Yet everyone is clear about the different results of labor for those who "employ" it and those "employed" to perform it. Labor creates property that increases already existing property; it provides the worker with money that will never turn him into a property owner in any real sense. Since people work for money, it is not money that serves work as a useful expedient, but work

that serves money as its source. Hence what becomes of work in a market economy is exclusively determined by the use that property acting as capital makes of it.

1.

If the economic life of nations were all about people optimally providing for themselves with the least effort, then their needs would be ascertained and a suitable division of labor organized for providing the necessary and desired goods. The only economic problems would concern those of the organization of work, the appropriate technology and the smooth transport of goods; intelligent people, who in the prevailing market economy have to plan and carry out the most absurd and complicated "production strategies" and "marketing strategies," would merely have to answer the comparatively trivial questions of *how* to produce the wealth of society in a people-friendly way, and make it generally available. Nobody would make an issue out of *whether* it would "work in reality," because the purpose set by society would be the answer.[1)]

1 The doubt expressed as to whether a planned economy is really "feasible" never seriously refers to the means that would be required to carry it out, but rather dismisses the project on the pretext that one couldn't imagine it being carried out. And how could one, seeing as how the social context required for setting up and carrying out a sensible plan, organized deliberations free of "economic constraints," doesn't even exist, and since the market economy with all its reified purposes and established procedures, including the human character masks that go with it, is tacitly assumed as the backdrop against which a planned economy would be introduced? One need not agree with the project of freely and sensibly organizing needs and their satisfaction; but then at least one should not pretend one would be all for it if only the communists didn't always fail to come up with practicable "prescriptions" and "models" — that would really be the easiest part, once an awakened working class knew what it wanted in the first place.

A bitter irony of history might be mentioned here. The great historic leap to a socialist planned economy, which its organizers themselves later phased out as a failed attempt, put into practice exactly this mistake of taking for granted capitalist economic features, from hourly wages to credit, as "economic reality." Instead of ferreting out the capitalist purpose in these features, they devel-

Things are different in a market economy — and by the way, nobody asks whether it is "realistic," not to mention expressing any doubts about the prevailing social purpose merely because what this society is all about doesn't come true for a good many people. A market economy is about making money, the more the better. All members of bourgeois society see eye to eye on this goal: "low income" and "well-to-do," small businessmen and trade unionists, capitalists and civil servants all agree that it is the most natural thing in the world that people work, manage, produce or provide a service in order to get a wage, a profit, a royalty, a salary — in short: money.[2] What they then do with their money is strictly their business. After

oped a model for managing an economy *with them* in a more labor-friendly way. State force does of course make a lot of things possible, even real capitalism… As if they themselves had never rid themselves of their doubts about whether a fundamentally different kind of economy would "actually work," the governing socialists of the East Bloc proudly bestowed the revealing, honorary title of "*real*" on their sorry effort, while practicing a brand of socialism in which all the constraints of capitalism were wielded as "economic levers" for cleverly manipulating the national economic "apparatus" — with moderate success compared to the capitalist original, at least as far as the wealth at the disposal of the state is concerned.

2 Admittedly, bourgeois society is also host to a fundamental criticism of the "commercialization of every aspect of life." One variant of this criticism concerns the attitude of people who have to prove themselves in this moneymaking system but largely fail, and professes belief in maxims of life loftier than the truly binding requirements — requirements that such critics completely accept as "organizing principles" — of money-based materialism. This rejection of "mammon" aims to complement commerce with a moral stance in which the individual attests to his not being a "slave" to it — the vicissitudes of life in a market economy provide ample opportunities for proving the soundness of this honorable posture. Typically, this "critique of capitalism" is aimed not so much at the rich, who can easily afford to display such a noble-minded attitude, as at people who are supposed to transfigure their troubles into the virtue of doing without, instead of succumbing to "social envy."

In its other variant, the condemnation of the "absolute rule of money" designates spheres that should be removed from "mere commerce" for the sake of their higher claims and offers. Critics making this plea concede that the market economy has long since turned even the loftier goods such as God or love, muall, money gives them a bit of real freedom; it opens up the — admittedly limited — possibility of any kind of pleasure, offering access to an inexhaustible world of commodities. That is the good side, what everyone likes about making money.

Wage earners, at least the vast majority of them, are quick to make acquaintance with the other side, too: once their sum of money is used up, they no longer have access to the wealth of society. The desired and needed goods are still there; they are just not available. Money's potential to satisfy all needs is then by no means a real possibility to satisfy even a single one of them.

This difference between what money promises and what it delivers has its quantitative aspect and a principle. The former asserts itself in the limitedness of the sum of money earned, so that in practice all problems boil down to just one: earning more. This overriding and general necessity of life in a market economy reveals the absurd nature of this mode of production: everything a person needs, though produced, is not available; property separates products from those who need them. *That* is the whole purpose for which products are produced: in order to belong to businessmen who neither need them personally nor intend to consume them, and to be withheld from those who are dependent on them. For it is only in this way that the economic operation from which the market economy takes its name comes to prevail extensively and exclusively: money has to change hands for commodities to reach those who need them. This wasn't thought up as, say, a clever method for distributing goods. On the contrary: whatever is produced *is property*, the useful article is therefore nothing but the bearer of an excluding power of disposal; a power of disposal that in no way is intended to

sic or justice, poetry or the beauty of nature into saleable commodities, or else subjected them to the requirements of moneymaking. And why not! These goods from the realms of moral necessity and luxurious profundity are neither more nor less compatible with the principles of gainful employment (to be discussed below), and can just as well be measured in the money paid for them as any other product or service whose "commercial" purpose nobody takes offense at. And this is not only something that the peddlers of higher things know very well: their plea clearly intends that those who deal in deeper meaning should at least be able to live a worry-free life.

cling to its object, but to separate from it, to become an abstract and purely private power of access that has its reality and quantitative measure in *money*. That is why produced objects cannot be "distributed" to those who need them in any way other than through sale; it is not until these objects are sold that the purpose of production is realized definitively, though the material form of the product has long since been finished. This material form doesn't matter at all, or rather matters only as a means to an end; what is actually produced in this form is the money to be realized with it. That is the *value* the owner is after. That is why the production of goods isn't the endpoint of the whole operation, leaving society content and a good deal wealthier in terms of production and consumption. Instead, property establishes the general necessity to earn money, by whatever means, to be able to acquire the produced goods: no purchase, no use. Productive work itself is defined, quite separately from and independent of what it creates, as a variant of work, as gainful employment to be precise, that provides access to the world of products only through the money it earns. Property fundamentally and radically severs the production of wealth from the availability of useful goods, *separating work* from use, and use from *need*, and inserts *itself* into all these equations as the determining factor, turning them into inequalities: the purpose of all work is to obtain property, since benefit lies in property alone — this counts as the first truism of economic reason.

The forced identity between benefit and property imposes a peculiar logic on the economic activities of the society subsumed under it. For one thing, there is a *hierarchy of needs* that arises when the private possession of money determines the satisfaction of needs: formally, nothing but private preference holds sway; within the bounds of acquired property, of course; though how a person budgets is a private matter.[3] In actuality, every need

3 Referring to this sort of freedom, economists in all their irrepressible cynicism have advanced the dogma that every economically active individual is fundamentally occupied with nothing other than optimizing his benefit or utility. From this, they have derived mathematical models of market transactions, all of which prove how well everybody fares, since ultimately even the smallest sum of money carries over into some utility preference. What's worse than these circular mental constructs, however, is the habit that "market participants" themselves have of regarding the art of budgeting as freedom in action,

becomes a dependent variable of private purchasing power, and as long as this mode of production lasts will there be ever anew an "immediate juxtaposition of poverty and wealth" in differing orders of magnitude to gape at. The same applies to what is called the "*social division of labor*" — there is certainly no doubt that producing is done "socially" in a market economy; the manufactured commodities are not destined for self-supply but for sale and, in that respect, for general demand. But the necessary connection between the various branches of production does not stem from material relations among them as social suboperations, but results from the negative relation between private property owners, who refuse all systematic cooperation, but then again need each other as paying customers. Thus it is the private power of money that establishes the necessary connection; once this power has been wielded thoroughly enough, the result looks just like the ingenious cooperation of productive market participants.[4)] And finally, that the purpose of all activity in a market economy is moneymaking leads to a fairly perverse *relation to work*: in a market economy, work no longer ranks as the drudgery it is and always will be, as effort to be reduced as much as possible, but becomes a purpose itself. After all, work creates property to

even developing a perverse pride when once again managing, despite inadequate funds, to make ends meet with thrift and bargain hunting. Such heroes of private freedom can then only imagine a planned economy as the opposite, i.e., as spoon-fed poverty. This delusion is not merely the basis for theoretical models, but also for very real democratic power relations.

4 Even basic necessities are not automatically produced if there's a lack of purchasing power for them; they are even destroyed if this serves moneymaking. That is why the public power, which puts the market economy into operation by guaranteeing property, ends up having to intervene in heaps of cases to compensate for the effects of the economy's operation. The fact that the whole show keeps on going at all, even without the public power directing it in any planned way, once inspired amazement and admiration among early apologists of this "system," leading them to "infer" an "invisible hand" working ingeniously "behind the backs" of the actors programmed to make money and nothing else. The less pious truth is that every material, social connection in a market economy is the absolutely unplanned effect of the universal striving for the money of others — and that's how it looks too: everything not suitable for making money is simply slashed.

the extent that it takes place; its benefit is not measured in the product it creates, but in the money it earns, and in this respect and at every level of income in the amount of work done. In a society thoroughly organized on the basis of a division of labor, the task of creating real wealth available to everyone would be finished at some point, and given the current level of productivity, finished pretty quickly. Work for money, on the other hand, in principle never ceases: the interest in it *taking place* is *insatiable*.[5)] That people who have to do the producing cannot get around this "aspect" of work for money in practice, namely that they wear themselves out doing it and sacrifice their lifetimes to it — this "aspect" plays no part in the logic of work for money, and is a first hint that these people at any rate are not the beneficiaries of a market economy, and that it was not to please them that property was instituted as the purpose of work.

Consequently, the generally binding equation of benefit and property works out to be general and binding only in the negative sense that all benefit *depends* on acquired property. For it to work out in a positive way, for acquired property to *guarantee* real benefit, the quantity of disposable, private property must attain a very specific quality.

2.

Since people work to earn money; since the productive activities that create the wealth of society have nothing further to do with their products because they are concerned with one product alone, namely moneymaking; since this purpose is so taken for granted that conversely any activity that brings in money is called "work" — it is general knowledge that government min-

5 Bourgeois economics turns things upside down in its model-based derivations of market operations, postulating an intrinsic insatiability of human drives that capitalist production supplies with the optimum, maximum and as well-balanced as possible degree of satisfaction by constraining these drives in a rational way. It attributes to human beings a boundless, naturally endowed materialism that they just cannot fulfil given the variety of their historically acquired interests, in order to justify an economy of property as nothing but a *struggle against* "scarcity." The truth is that this economy *makes* the exclusion from all needed goods the starting point for gainful activity, thus giving rise to a shortage that is never eliminated with the work it organizes.

isters, artists and stockbrokers go “to work” just the same as those who have taken up the occupation of “worker” — and nobody wants to see any fundamental differences here; then there is one particular difference that is all the more important: whether someone *already has money or not*.

— Those who have no property in a world where all useful goods are somebody’s property cannot simply set to work all by themselves to get some of it; for they lack the necessary means — which are property too, after all. In order not to perish under the equation of benefit and property, they need a property owner with means of production who pays them for making themselves useful with these means — useful to him, of course; why else should he pay? After all, he’s also out to acquire money, not to give it away. People dependent on gainful employment, having no property, have to serve this interest as well so that they can make money *themselves*. With their work, they have to create property for their employer over and above what he already has in order to get a bit of his property for themselves. The purely private purpose of the worker, getting money for *himself*, is not altered in the least by this; it only shows what it means to earn money without already having enough of it. Work then becomes a double source of money: for those who perform it, on condition that it makes the better-endowed side richer, the one with money. These two benefits of work are therefore not exactly equivalent: for people wanting to take part in a market economy without having property, working is certainly the *sole* means of making money at their disposal; but, strictly speaking, it is *not their* means at all. Only to the extent to which and as long as a business owner sees a way to use their work for himself, as *his* means of making money, does work become their means. They produce *property*, in fact — contrary to the sense of the word — *somebody else’s*. — And vice versa. A person disposing over enough property can turn it into his source of income by investing it in a business and providing an income to people who need one — and who in return work there and produce saleable things; value that belongs to him in accordance with his rights as a property owner and that, once sold, increases his financial assets. By using his property this way, an owner makes money without having to create it himself: he *gets others* to produce *his* property

Thus the equation of property and benefit works out for enterprising owners of property: correctly invested, property proves its worth as an adequate means for increasing *itself* through *other people's* work, that is, as a *relation of production*; it functions as *capital.*

The people who do the work likewise have what they wanted and need: their own money in their pockets. The snag is that their property is too small to last particularly long. No sooner has it been earned than it must be spent right away to procure the necessities of life — thus in large part flowing back to capitalist businessmen who thereby realize the value of their commodities in money. It must be spent since nothing produced by the workers themselves is at their disposal; they even have to acquire the products of their own labor in exchange for money; if they want to use them, they have to purchase them out of their wages. So for workers, property remains the *exclusion* from the wealth they themselves produce; it is the *negative* condition they must bow to in order to benefit from the wealth they create; it constitutes *somebody else's power to control* their work, a power they continually reproduce and increase through their work.

It would not be amiss to note that it is one and the same capitalist equation of money and satisfaction of needs, of property and benefit, that works out in such opposite senses for the two different sides. Since work is done for money — or not at all! — then it is not about providing everybody with real wealth, but about abstract wealth. Then it isn't the case that workers dispose over the proceeds of their work, but rather the private power of property existing in money commands both work and workers; then people without financial assets are not making use of a convenient distribution mechanism when they bring home wages or get some equivalent compensation as the proceeds of their labor, but rather there is really nothing else produced but property. As property, produced wealth simply does not belong to those who produce it. Well, in what else could the economic achievements of money and property consist? The fact that the means of production are subject to an excluding, private power of disposal contributes nothing more to their productive capacity than to *sever* the material, productive use of these means, work, and those who carry it out from control over the production process along with its products; hence property exists to prevent the means of production and products from being available to those who use the former and need the latter. The fact that earned money provides a bit of access to the world of commodities is an advantage only under the precondition that none of the produced goods can be used in the first place, precisely because they have come into this world as somebody else's property. By working, it's possible to earn money — money that is moreover gone again in no time: what could such a deal possibly be good for if not for ensuring as a matter of principle that workers do *not* get what they produce, while those who pay them this money do? The whole process would be nothing but absurd precautions and grotesque complications if it were really all about producing useful goods and rationally distributing them to people. So this can hardly be the deeper, underlying meaning behind money, property and gainful employment. Their "meaning" must lie instead in what they really achieve: the equation of benefit with property, so that the two opposing, complementary solutions necessarily result.[6)]

Hence those who maintain that the subsumption of work under property is beyond question, that any changes would even be futile if not counterproductive, supplement their "realism" with a good deal of idealism: they imagine that the so terribly antagonistic consequences of the rule of money can be ameliorated separately, without addressing their cause; preferably by the state, which surely is committed to the equal welfare of all and thus obligated to use its power to iron out excessive social antagonisms. Such a

6 To be sure, the equation has yet other solutions. The market economy is acquainted with all sorts of "self-employed" persons, from farmers to doctors, who eke out a living with the property required for their occupation *and* their own gainful labor; in various combinations, they represent the antagonism between labor and property in their own person, thus not overly moderating this antagonism. Then there is the state, which with expropriated funds plays the role of employer without having its employees create property; with all its sovereignty over the classes of its society, it too respects the absolute rule of money over the work it organizes by paying its professional staff; in so doing it calculates the remuneration according to the criterion of private-sector wage payments all the more closely the "lower" the task. As a general rule, one shouldn't make a mystery of the various functional subdivisions of a capitalist moneymaking society — especially since the leading public authorities have no trouble going at their citizens with their own explicit economic class gradations when collecting taxes or setting up social funds. And by the way, a methodological hint: the principles of the political economy of capitalism are not pigeonholes whose validity would be proved by their usefulness in sorting and filing mankind, nor would they be called into question by borderline cases.

conception is not foreign to the bourgeois world, despite its unworldliness — after all, this is exactly the way a market economy is supposed to be seen, as a national economy with a sophisticated distribution strategy based on the principle of liberty that could easily be pictured without its shabby effects; and with the social system offering its services as the authority that actually undoes these effects. The only problem is that all this is simply not true; and since everyone, trusting in the holy duality of market economy & democracy, insists that at least it's "*supposed*" to be so, then they admit that it *is* not so.

In reality, before devoting itself to any problematic consequences, the bourgeois state subordinates work to moneymaking and the power of property by giving property legal protection and the right to employ labor. And capital does what it can: it takes command of work, i.e., its productivity, as *its* source (section II, following); it uses work to increase its surplus relative to the means expended, i.e., its rate of profit (III); it makes work liable for the service and maintenance of a credit system that, on the one hand, is not the least bit interested in its preconditions in the profitable production it promotes on the other hand (IV); it makes use of work as a weapon in international competition, which brings state power into the arena as an interested party with its own demands on work for its own success; and it is currently using work as a stopgap against its self-created crises, again with state support (V).

II

The productive power of work belongs to the owner of the means of production, who pays for it and has the work done. Therefore, his demands on it also define it. It doesn't come down to the banal fact of people using suitable equipment on the basis of a division of labor in order to easily produce far more useful things than they need for themselves and for easing their work. Rather, under the command of capital and with its means, and thus also according to its guidelines and calculations, productive labor is labor that produces more property, measured in money, than the latter has to pay out in wages.

Correspondingly, it is not the actual labor expended, not a person's time and effort, that counts as labor expenditure, but rather the aggregate wages paid for having work done. The product of work does not have its measure in the needs it satisfies, but in the proceeds from selling the produced commodity relative to labor costs. It is not the relation between labor power exerted and product that counts as labor efficiency, but rather the ratio of produced commodity value to aggregate wages paid out. Labor productivity is thus not a technical quantity; instead, it gets calculated according to business success.

This is how capital appropriates the productive power of work as the source of its accumulation.

1.

It is no secret that workers regularly and quickly deplete their wages, but not because their work doesn't yield more than what they absolutely need or habitually consume. The "overflowing" shops the market economy is famous for provide striking evidence to the contrary; especially those offering goods that are hardly ever within the reach of the wage-dependent population; and all this is merely a fraction of the glut of useful goods brought about by the working members of society. And no wonder. For when people effectively employ their minds and bodies on the basis of a division of labor, they bring about not only their means of consumption and production but some technical progress, too; and when they set to work at the currently attained level of technology, the production of even the most complicated good becomes a matter of a few minutes work. In this sense, it would be no problem for workers today to churn out useful goods of any kind, without much effort, for themselves as well as for all those unable to work at the moment — if indeed this were the purpose of production.

That things work out so unerringly and utterly different is due to the peculiar social claims and prevailing rights to which work done for wages must yield. In a market economy, the product of labor is none of the business of those who do the work: it is completely and immediately somebody else's property; none of it belongs to the workers. It may well be that wages are paid out of the proceeds from selling the produced goods; where else would the money come from. But that is a deal between the wageworker, who has no property in his products, and the owner, to whom the entire proceeds belong.

This is because the minute wageworkers set to work — if in fact they do so at all — they are no longer working for themselves. They wouldn't even be able to work at all if an employer didn't let them into his factory; what they do there is solely his business and proceeds completely on his account — that's exactly what he pays them wages for. In practice, of course, workers continually put their labor power and time into the production process — things that cannot be detached from them, unlike a piece of property that an owner can freely dispose over; what takes place in a capitalist factory is always *their activity*, however much it is under the factory owner's control. All the same, the category of property is applied even to this activity; and in this *property-like* respect, the work for which they are paid is thus no longer theirs at all. They hand over their activity, which of course is and remains physically theirs, like alienated property. This is important because it determines what becomes of the property that labor brings into existence: since work no longer belongs to those who devote their intellect, energy and time to producing useful things, then the value of manufactured things, property quantified in money, also does not fall to those who have expended the material effort, but to those who command this effort as an element of their production process.[7)]

7 In practice, the point of this truly peculiar, double nature of work, as the productive activity of a paid workforce and as the company-owned process of value creation, really isn't a mystery to the persons affected: every worker is

Work is and remains productive because people cooperate purposefully using appropriate equipment. This is no different under capitalism. Only here the productive power of work is subsumed under a cost-output calculation of capitalist property. And this calculation is what counts economically.

2.

Capitalist firms accumulate their property by making use of the productive power of work. However, they count work as productive only if it has the desired effect on their property. And they attribute this effect to their own doing, chalking it up to their invested capital. This isn't so much their ideology — many an executive schooled in management skills readily gives three cheers for the creativity of his "associates" — as it is their real practice: what the *productivity of labor* achieves is *realized* in *capital's business account*.

In this account, nothing of the effort that workers have to expend is found under the heading 'expenditures.' Expenditure in the definitive, capitalist sense is exclusively the company's: an expenditure in money that it has to make in order for production to take place. This involves two major items of expense.

The first one regards "work stations" — equipping a factory with machinery, as well as procuring raw materials, energy and whatever else is needed for the manufacture and sale of a product. The material substance of everything acquired in this way is absorbed in the process of production. It

familiar with his work as a "*job*" that ultimately has no connection to him beyond the factory's decision to assign him to a particular work station and equip it in keeping with its own cost-output calculation. The trend-setting managerial idea of letting workers "share" in "shaping" "their" workplace does not alter this relation, but is a calculating reaction to its unmistakable one-sidedness. Years of settling in to a job offer no safeguard against having to bid farewell to a familiar workplace when a company decides to "modernize." The fact that the capitalistically tailored working world revolves around abstract labor for someone else's property makes itself felt in the most concrete way — even if a good many people are unwilling to admit what they experience for themselves, and doggedly insist on their right to take their function as an appendage of capital to be a home they are entitled to.

is used up, worn out, transformed, productively consumed in one way or another. However, the one "quality" of the means of production that does show up in the company's accounts, namely their value as figured in their purchase price, does not perish at all but reappears again in the thoroughly calculated price of the produced commodity. It's true that a businessman first has to realize this price to get the money he has advanced back into his hands; but for the production process and throughout its course he doesn't let one bit of his property out of his hands.

With his other operating expense, wages, he puts property in the hands of others at his own expense; and if he is in the right mood, he regards this in all seriousness as a major act of generosity on his part, one for which he receives far too little thanks. In any case, with this expense he does get hold of the labor power of his workforce so that he can freely decide on its productive employment. The wage payment itself functions here as a means of command, for the remuneration of the workforce is paid, aptly enough, as the *price of labor*, according to the number of hours worked, or, more in line with the purpose of the payment, according to whether a worker meets, exceeds or finishes under the time allowance for completing specific tasks or entire steps of production. This way of paying wages is the basis for the gleefully propagated ideological pretense that workers get paid fairly for the exact "share" their work contributes to the product or its value, that *the value of labor* gets fully compensated. If that were the truth, a capitalist's balance sheets would really be in trouble: what would be left over for the owner if labor were paid with the property it creates?! And even if it weren't the entirety of newly created property: how could the performance of work be distinguished, as one "share," from the fact that the means of production belong to the employer, as another "share?!" No capitalist has ever waited for a conclusive calculation of this kind; otherwise he would never have gotten his business off the ground.[8] The trick of measuring and paying

8 As can be seen in every wage dispute and in every demand for wage cuts during economic downturns, the price of labor is in truth a matter of negotiation, i.e., a question of power. Even when trade unions dish up calculations showing that labor has once again become *more* productive and thus "accordingly" should be remunerated at a *higher* rate, these calculations are only worth as much as the actual pressure employees bring to bear on their employers — and

wages according to the amount of work delivered — i.e., basically according to time with adjustments for intensity — actually achieves the opposite of a neat distribution of effort and product between employee and employer. It turns the payment of wages into a permanent coercion of the employee to satisfy the one-sided demands placed on him entirely according to business calculations. By "paying" the price of labor through the payment of wages, capital forces workers to acquire an interest in earning this price hour after hour and with the required effort. Capital thereby removes the obstacle to the appropriation of labor that lies in the fact that it is the activity of other conscious subjects, after all, that capital intends to appropriate. Capital thereby ensures that its workers submit to *its* standards of performance in matters of duration and intensity quite of their own accord. In this way it

this pressure never turns out to be very huge if this kind of calculation is to justify it.

Bourgeois economics has never derived the price that labor is worth, either. But it is all the more unabashed about upholding the ideology that wages remunerate exactly what labor — distinguished from the other "production factor," capital — contributes to the value of the product. In a disarming bit of dialectics so typical of this science, it simply invokes the results, claiming that *one can see* from what workers *get from* a company's total proceeds and what the employers keep for themselves just what each side has contributed — the proof: otherwise they wouldn't have gotten what they got …

It is also worth noting the interpretation of "labor" and "capital" as "production factors" offered by the "theory" of "factor costs" as a matter of course. There is not a single word about the private power of money over labor anywhere in this entire science, from start to finish. It regards the capitalist firm as nothing but a neutral body between labor and capital, an organizer of production that ingeniously combines these two "factors," sets them in motion and pays them fairly. Still, this is exactly how even this cookie-cutter ideology expresses the capitalist fact that labor is incorporated as a "factor" belonging to the firm and subsumed as a means available for productive purposes. As much as this view of things turns a blind eye to capitalist property and its rule, it still as a matter of course reproduces theoretically the standpoint of capital, according to which labor belongs to the company as soon as it is employed there.

The real capitalist calculation, namely the one carried out in practice, whereby labor and capital are compared with each other as production cost factors and treated as exchangeable quantities, is dealt with in the next section.

can also easily call for flexible hours, night work and continuous shifts, or even the acceptance of especially unhealthy working conditions. In this utterly humane way, namely by extorting the will of the workforce, the capitalist firms gain command over the productive power of work, right up to the very last working hour and the very last bit of capitalistically useful exertion.

The manufactured product enters into the company's operating balance under the heading 'receipts' — as a pure sum of value. This abstraction is in no way impractical — which it would be if the product were intended as a contribution to the satisfaction of the needs of the whole of society through a division of labor. Rather, it sums up conclusively and definitively the single relevant thing about the work done, and allows comparison with the heading 'expenditures.' This comparison is the only thing that matters, for it decides whether or not a firm has "made money" — which is not merely a colloquial expression for business success, but actually hits the nail on the head: the product the firm is after is the excess of income over expenditure, figured in money. Nobody has to know a company's products to know everything that matters about it: all the economic essentials are contained in such informative "production figures" as 'turnover' and 'profit.'

Thus, the productive power of work has a precisely defined *content*, which at the same time is the *criterion* for whether it was productive *at all*, or whether it has remained *unproductive* despite the goods it has produced. Capitalist calculations not only ignore the real expenditure of work; they are also highly critical of its material result, accepting it only if and insofar as they can tally up an increase of 'receipts' over 'expenditures.' Either labor proves its productivity as a source of profit, or it is worth nothing at all.

Yet labor, despite all its productivity, can in no way guarantee this uncompromisingly and unconditionally demanded result. The only thing it is capable of creating is a product, which, were this the point, would be a useful contribution to providing for the needs of society. Whether this product has a value that enriches the company is an entirely different matter, one that is decided outside the world of work on the market, which revolves not around useful production but around acquiring money. Work is not capable of transforming the produced commodity into money, nor is this any of its business; after all the commodity is the company's property to be realized in money. The effects of the market's decision are all the more severe for labor, for a capitalist firm does everything it can to guarantee that the production it has at its disposal be an effective means for its business success. The appropriation of the productive power of work by property is only the beginning of labor's journey from being the *source* of all capitalist wealth to being its *means*.

III

Capitalists have to succeed “on the market,” i.e., win the competition against their peers for the purchasing power of society, with the products of the work they have had done. This settles how the “consumer society” is “supplied;” conversely, success on the market decides which production was at all socially necessary.

Businessmen turn the source of their wealth into a means of competition by raising the productivity of labor; this lowers the cost of production by reducing the unit wage cost, enabling them to undercut other suppliers and pocket the profits for themselves. The standard of “technological progress” that they thereby introduce into the world of work consists in the arithmetic comparison between “labor” and “capital” as interchangeable “cost factors:” capital investment has to save labor costs; spending to reduce the latter secures success in competition. As a consequence of this irrational calculation — nonwork chalked up as a source of profit — capital drives up the productivity of the labor it uses to new heights, i.e., makes its real source of wealth *more profitable*; at the same time it *diminishes* labor, treating it as an item to be economized on, thus minimizing the degree to which labor is socially necessary and creates property; and it considerably *burdens* labor by “substituting” rising levels of investment for it: less labor is actually supposed to make more capital profitable.

Capital turns these contradictions of its own mode of production into problems for wage earners. They take part in the progress of labor productivity either as unemployed persons without income, or by producing enormous profits as appendages of expensive “work stations,” turning over ever greater masses of capital while the sum of their unit wage costs, the wage bill, remains stuck within the framework of the labor necessary for their reproduction.

1.

Capitalist employers refer to competition and its necessities for everything they do to work and their employees. This involves a fundamental hypocrisy: like anyone who enters a contest, businessmen, too, share the interest their competition is about — after all, they aren't competing for first prize in relieving and enriching their "co-workers" or in devising the best plan for satisfying all needs. In putting pressure on their workforce in the interest of their "competitiveness," they are not in any way compelled to do anything that truly goes against the grain or would be alien to their very own economic interest. Conversely, being "subjected" to their own interest as a constraint they have to satisfy on pain of rack and ruin only proves that no diverging viewpoint qualifies their economic aims: by appealing to unavoidable "pressures of competition," they refer to nothing other than the *universal and sole validity of their interests* in the economy.

But what is perhaps more remarkable than their revealing hypocrisy is the *truth* these activists for competition admit to with their general excuse: when they do what their property enables them to do, namely, get work done and increase their assets, they do so *against each other*. The results of *their* command over the productivity of labor do not add up to an impressive heap of wealth; instead, the business success of one capitalist gets in the way of another's. The negative, exclusive power of property does not only affect those who don't have any and for that reason have to make their energy available for a small fee. Capitalistically active property, as the private power to push ahead with its own accumulation, is also focused in an excluding manner against *the* condition for growth needed equally by all commodity producers.

This condition is the *money* existing in society: wealth in its socially valid, abstract and private form. This kind of wealth just cannot be *produced* in the private sphere of an individual business; it can only be *acquired* "on the market" with the help of the manufactured commodity. Not until the commodity is successfully sold is it decided whether and to what extent the entire commodity production was of any use, namely whether it promotes property through the money it makes. And at *this* point capitalists stand in each other's way. For in this last, crucial step in the course of their business, all of them want and need the same thing: the purchasing power of society.

It is not just when several companies offer the same commodity for sale that the competition of capitalists amounts to mutual exclusion. Since the purpose of production is making money, and conversely since money constitutes the quantitatively restricted access to all goods and pleasures, then everything produced is commensurable, the most dissimilar things become alternatives, and each manufacturer vies with his supply of goods against all others for the purchasing power of society. True, competition also stimulates business; one company's successful growth lets others make some money as well; in general "growth phases," more gainful employment can even come about on the whole and more purchasing power be generated. But not even then is the institution named "market" rid of the excluding character of private moneymaking; on the contrary: competing commodity producers raise increasingly greater claims on the money of society for the growth of *their own* firms, completely independent of what income they create and let others earn. Even if the final statistical accounts show some percentage or other of economic growth, independent businessmen did not enter into any complementary relationship, but fought against each other to expand *their own* sales; their antagonism doesn't emerge only when business cycle observers have to admit a general decline in business. With this antagonistic interest in the same "stuff," the purchasing power of society, capitalistic businessmen enter into a *social relationship* with each other and with the rest of mankind that needs their products.

This is the one, and indeed only, social relation between the various branches of production, as well as between production and consumption, that the property regime permits and enforces. What is produced and what isn't, which needs are served, which are disregarded, which even have to be invented, all this is decided by the money that customers hand over and competing businessmen lay claim to; in a market economy there is no other criterion for what is necessary in society, or necessary for it. This also means — despite all ideologies about the "power of the consumer" or "consumer sovereignty" — that under the rule of money, social production is not subordinate to needs, let alone to even a rudimentary or tentative order of needs, sensibly determined according to urgency. Instead, the needs of society are sorted according to private disposal over money, subsumed as purchasing power under the sales interests of competing proprietors, and defined according to the criterion of business success attainable through them.[9] "The market" is the moneymaking sphere for capitalistic commodity

9 When economic experts observe the cyclical trend in the economy, they notice the consequences of this simple truth: it is not erratic fluctuations in the pub-

producers; it is their competition that decides which use-values a society has to get by with, which needs it can satisfy.

Conversely, this competition decides how suitable the production of commodities by the various companies is for the purpose of acquiring money, and consequently what it is really worth. It's true that unsuccessful selling does not retroactively undo the capitalistic appropriation of the productivity of labor already taken place — the produced use-values exist and could contribute to the wealth of society — but renders it completely useless: turns it into a money-losing operation, destroying wealth in its socially valid form, i.e., capitalistically utilized property. It is this lunacy that is meant to be acknowledged and approved as an unquestionable matter of course in the references to "market risks" or the "pressures of competition." Businessmen who fail at selling disqualify themselves as incompetent, have to stand accusations of mismanagement and worse, and even quickly come under suspicion of white-collar criminal transgressions — which, while certainly not fitting too well with purported "market" constraints that act like the hand of fate, lend support all the better to the biased belief that capitalistic companies have a duty and absolute right to be successful. The other way round, success elevates the successful to the rank of expert; by the same logic. At any rate, market economy fans with their bias for business success are thus also familiar with the idea that competition, imposing its "invisible hand" on capitalist proprietors, includes at the same time a certain degree of freedom: power over the means of business, which can be invested more or less effectively.

What capitalist businessmen really can do to succeed in *making money* "on the market," they do in the arena where they are masters of events —

lic's taste, let alone sensible decisions on social priorities that lead to changing conditions for the general selling of goods and making of money, but admittedly the unpredictable effects of competition for ever greater sales. The fact that this competition leads with high reliability to generally noticeable setbacks following phases of expansion, and vice versa, has not aroused in the wise men of science any interest in comprehending the concept of this madness; instead, an entire branch of research occupies itself with the development of mathematical models of the unpredictable, thanks solely to the standpoint that science owes capitalist society a quantifiable prediction of its own free dealings.

they have to organize *commodity production* so that its results allow them to win the competition. This competition sets the standards that have to be met by the labor productivity achieved in the factory — mere appropriation of the productivity of labor by property does not do the trick.

2.

a) When capitalist businessmen attempt to turn their product into money, they run up against the result of the preceding competition in the form of the *market price* at which the commodity is generally offered for sale. This puts the *cost price*, the price they calculate for producing a unit of the commodity, to the test. For, profits, the ultimate point of it all, arise from the difference between the unit price, which they charge to expenditures, and the sales receipt, multiplied by the number of units actually sold. Obviously, profits rise when the cost price is below average, and dwindle when it is above.

However, a business does not reach its goal with a decent profit margin per unit: the point is to sell as much as possible; for this is what really gives the rate of profit its mass. This fundamentally unlimited need for sales, taken as a whole, comes up against the limit given by the sum of money customers have — money, moreover, that they have to budget for all their various needs. Yet this limit does not in the least directly concern the individual producer, who wants to turn as many products as he can into money. What immediately stands in his way are the other sellers, who are in like manner out to seize purchasing power for themselves, thus vying with him — as every enterprising businessman sees it — for possible sales and the profit that goes with them. To clear away this obstacle and capture other producers' market shares, there is — even allowing for advertising, bribery and other forms of "cultivating the market" — ultimately only one method: undercutting competitors.[10)] This plainly conflicts with the purpose of in-

10 Hopefully, nobody finds an objection in the experience of economic life that prices generally go up, indeed so universally that individual increments add up to an overall rate of price increase. The reason why there is an overall tendency for capitalist producers to demand and also receive ever more for their commodities is that the purchasing power of society is unproductively inflated through the state's creation of money by (the roundabout) way of incurring

creasing profits. The calculation can only work out if one manages to cheapen production in one's own company. Consequently, all the efforts of a capitalistic manufacturer are aimed at reducing the production price of the commodity to be sold.

Once that has been accomplished and the cutthroat price introduced on the market against rivals, then the new, reduced price level becomes the binding base of reference for all who intend to keep pace and hold on to their market shares. A new market price has emerged, to which every producer must compare his own cost price, whose reduction then becomes the company's condition of survival. In the end, the profit margin has of course not increased one bit; and the question remains whether the mass of profit on the whole has increased through additional sales. But who among the competitors sells how much is decided once again; and each party is concerned that this decision comes out in his own favor. Hence, efforts to reduce the cost price never cease; each success marks the prelude to the next offensive.

b) In the process all expenditure items in the capitalist accounts continually come under pressure. Extortionate price guidelines for suppliers, for example, are part of the everyday business practices of the larger conglomerates — the suppliers on their part then have to find ways to save their profit margins in the face of cuts in the price of the product they deliver, which once again comes down to internal cost reductions. Of course, that one big cost factor, the *price of labor*, always receives special attention and treatment; and for good reason. It offers two essential areas for attack.

For one thing, the absolute level of wages paid out to the workforce makes for an inviting target. There are, to be sure, generally binding agreements on wage scales that restrain the employers' competition to remunerate work as little as possible. But the multiplicity of wage classifications normally codified in these agreements offers a way to lower the wage level within an individual company by the clever grouping of the workforce. The consent of labor representatives usually required for this is in principle easy

debt, and is therefore not confused with an increase in the value of the goods for sale, but clearly seen as a devaluation of the legal tender. As long as inflation is the norm in a market economy, price wars will thus largely take place as a competition for the smallest price rise.

to get, especially during economic slumps; if need be, it can also be had for circumventing or openly disregarding wage scale provisions. That reduces the wage share of the cost price of the commodity, the *unit wage cost*, thus acting like the increase in labor productivity that in fact it is: the product has required a smaller expenditure for labor.

The second, and by far more fruitful, point of attack in the struggle of capital against its wage costs is the technical "aspect" of labor productivity: the material efficiency of the mass of labor employed. For, every advance in this area reduces the share of wages in the production price of a commodity, the unit wage cost, even more — as if the workforce had become cheaper. And in fact it actually has, according, that is, to the calculation the company makes and implements: it immediately converts the increase in labor efficiency into the redundancy of manpower paid for until then, thus into a reduction of operating wage costs, then assesses its means of production by the results of this calculation and directs its investments accordingly.

The economic logic of this calculation is worth commenting on. It assumes technological progress in the material sense, ingenious methods for increasing the productivity of labor, masterstrokes of engineering in automating production and so on, presupposing their effectiveness in production, only to *abstract from them* and deal exclusively with *two figures*: by imputing a functional lifetime for the equipment to be purchased, the capital expenses incurred in making labor more efficient by new means of production are apportioned to the individual commodity, so that this expenditure becomes comparable with the other figure: the labor costs the investment saves by making manpower dispensable, expressed as reduced unit wage costs. If the second figure is larger than the first, economic reason dictates that labor be made more effective: that production — as it is therefore called — be "rationalized." Hence attention is not paid at all to the increased productive power of work as such, but to the saving of labor costs; *this* is the service that capital expects from technological progress; this is how it actually defines what "upgraded means of production" are.

Thus, a capitalist employer draws a very peculiar conclusion from his standpoint as a property owner, whereby the labor he pays for is defined completely and exhaustively by the price he pays for it. He calculates with labor as a cost factor that not only can be added up with all other company costs and wonderfully compared with individual items, but also is to be mathematically offset against certain other expense items, namely those for investment, and, if the mathematics allows, *exchanged* for them *in practice* without further ado. To be sure, he has to know what lies behind the accounting entry for unit capital costs, etc., or at least *that* it signifies that productivity-increasing technology has been purchased; so he is also aware at least that the human activity that produces commodities and thereby creates property is not the same as the machinery employed, just because he pays for them both. But that said, he makes no distinction between labor and its price, nor between technology and his property in it. He does nothing more than tally up the labor costs to be saved, and in comparing them with investment expenditures, no longer has in mind the material reason why and in what way machines and robots reduce the expenditure of human labor, but only his decisive economic reason for putting such equipment into use. In all seriousness, he calculates as if his business did not profit at all from the labor he *employs* but from the labor he *saves*; as if the productive activity he still has to pay for were not in any way his means to success but merely a burden on his accounts: a residual item not yet cleared up, a remnant of unit labor costs not yet rationalized away that turn out to be too high in comparison with the immense expenditure for productivity-increasing machinery.

Capital can afford such a crazy calculation because it gets to the heart of its interests like nothing else. After all, it doesn't really need to interest itself in its origin and the source of its accumulation. It is quite sufficient, for purposes of competition and accumulation, to put into practice the point of view that its production costs have to sink. For in its constricted fight against the cost factor 'wages,' it never really pulls off the trick of making *more profit* out of wages *not* paid and labor *saved.* Yet this is exactly the way it turns the labor *it does make use of* into the means for its competition. Which is admittedly not the same as a steady increase in profit, for there is a certain snag.

c) The reason all "labor-saving" investments save wages is because they make the labor they employ more productive: there is less and less labor embodied in an individual product; the volume of salable commodities per wage payment increases. This increases profits per item as long as the company collects the previously prevailing market price. But there is not much profit left when the price advantage is used to undercut competitors; and a higher profit margin will not come about at all if the company's reduction of production costs lags behind a falling market price brought about by other firms applying the same measures. By reducing paid labor costs, capitalists end up reducing the sales price of the commodity — and thus reduce the increase in profits they are of course after. The only ones who get their money's worth are those who succeed in throwing competitors off the market and taking over their sales; they really make more profit — at the expense of the losers. For, the possibility of everyone making a profit does not increase when unit prices fall due to saved wages: success for one party limits the chances of success for others. The independent efforts of all sellers to enrich *themselves* to an ever greater degree does not, in their forays against each other, increase the overall power of their productively invested property to bring forth profits. So it is, of all things, the excluding nature of their pursuit of profit that causes them to feel their common bond, based on the *identity of their source of income*: as independent, enterprising owners of private property, they exclude each other from the *profit* that each can make out of invested capital *in general*; as *competitors*, they have in *their* firms *parts* of the profitably invested, capitalistic wealth at their disposal. This is how the abstraction "*capital*" *exists* — as a source of income that all businessmen participate in and whose peculiar paradoxes they put into practice through their competition. In the present case: increasing the productivity of labor decreases the proceeds per commodity, its realizable value.

This paradox is the necessary consequence of the battle that capitalist employers fight against wage costs for the sake of their competitiveness. There is no question that their yield from paid labor increases: if the difference between unit costs and market price, i.e., the profit per commodity, stays even approximately the same at lower unit wage costs, then even a smaller expenditure for wages will give them the same profit, and a given wage bill a larger one. Only, it is precisely with that that they also saved a bit of the labor that blesses them with such lovely profits — per commodity, which is shown by its lower market value, as well as overall, in the total salable product, with which all competitors together realize less money than before. If capitalists derive their wealth so actively from saving wages, they can't have both *more* profit *from* labor, *and more* — or only just as much — profit-yielding *labor* at the same time.

A word to avoid misunderstandings at this point: businessmen, who have been rationalizing their production like mad as long as anyone can remember, are not being accused here of employing a poor strategy — they're simply doing their job. They do it so consistently that precisely the progress they themselves bring about once again casts a rather glaring light on the tense relationship between the productive power of work they make use of and the business purpose they use it for. Once and for all: more productive work means, and this is true for capitalism too, that *less work is necessary* for the individual product — and the same goes for the maintenance of society as a whole; *this* is not altered at all by capitalist property, which is fixated entirely on *paid* labor and is after nothing but lower wage costs. However, this effect — which would be utterly good and right and exactly what would be desired from the point of view of use-values, i.e., in a planned economy — *collides* in a market economy with the interest of capital in selling *as much as possible*, i.e., in having more and more stuff continually produced and getting the "market" to certify by payment that it is just what available purchasing power has been waiting for; for, this interest imperiously calls for *more and more work* to be harnessed. Of course, in a way that promotes property; therefore as needed for the *competition for profits*. And because capitalists, here in their capacity as employers, all single-mindedly hit on labor costs as the quantity most easily and effectively squeezed, they limit, in their antagonistic pursuit of profit, the necessary work that they absolutely can't get enough of under their command.[11)]

11 The amount of work necessary for maintaining the people who do the work and have to be paid wages for it cannot be small enough for those fighting the cost factor 'wages.' This entails that the payment of wages keeps workers restricted to the bare necessities: falling unit labor costs guarantee that the work necessary for producing the equivalent value of their livelihood tends to zero as labor productivity rises. This is the obverse of the increase in profit per unit wage already mentioned; and a few consequences for the workers will be discussed under point 3 of the this chapter. However, another consequence is already apparent here: 'necessary work' for maintaining the workers is not entirely unrelated to 'necessary work' for a market economy in the other sense: that the sale of a product proves the work used to produce it to be "socially necessary," in that the proceeds realize the profit without which the work would be pointless and therefore socially superfluous. No doubt, capitalism severs these two meanings of 'necessary' as thoroughly as can be: what is necessary for the workers' livelihood is supposed to have next to nothing to do

This is how capitalists spread an incurable contradiction throughout their upside-down world, where wealth consists not in produced goods but in the cash value of property in these goods, and consequently where the creation of wealth is not measured by the material benefit brought about by work but by the sheer amount of work carried out, minus the quantum of work necessary for producing the equivalent value of paid wages. There is no more effective means for increasing this crucial difference then to decrease, of all things, the amount of work required for producing a single commodity in particular, and the whole lot of saleable commodities in general. Or conversely: all capitalist employers reduce the material work expended for the production of commodities as *the* tried and tested means for increasing their property, even though property itself consists not in any specific product but in the appropriation of work in general. In their drive to reduce labor costs to enlarge their property more rapidly, the heroes of the market economy make work more productive and save on it by one and the same operation; by rationalizing away paid labor, they spur the source of their wealth to greater *productivity* and *reduce* it at the same time.

d) What luck for employers that they don't calculate this way. In calculating the profit-raising effects of reducing unit labor costs, they manage without the slightest difficulty to estimate profit *per* labor *cost*, without then having the faintest idea that profit might possibly result *from labor* — somehow… Instead they take the liberty of relating their gains to any expense item they please; this is in fact the starting point for their calculation of the profit-in-

with what is necessary for the life of the society capitalists allegedly serve with their goods. However, the fact that capitalists briskly keep on selling more and more, while at the same time limiting the bulk of their society to a fraction of the wealth of society, i.e., the disposable money, a fraction that falls along with unit labor costs, is not only a problem for producers of "staples" for the masses, but also contradicts to a certain extent the striving of capitalists as a whole for ever increasing sales.

This contradiction starts with the fact that reducing the 'necessary work' for reproducing wages is a weapon for capitalists in their price competition, and for that reason goes along with reducing the 'necessary work' to be realized in the market price; which shows that, for capital, mobilizing its own source and cutting back on it are identical. Obviously, something is bound to go wrong: this contradiction does not bode well for wageworkers at all.

creasing "substitution" of labor costs by capital investments, as well as the motive for and standpoint behind their unremitting zeal to rationalize production. The calculation ends in the accounting of business profits, in which the obtained surplus is measured against total company expenses, summarized in a binding criterion for success: the ratio of profit to total business expenses must attain a "competitive" percentage; otherwise, the whole enterprise was pointless and the competition for profit has been lost.

Included among the items added up on the expense side of this "income and expenditure account" are two that are entirely incommensurable in substance: to the expenses for less work, which has yielded more profit due to its technologically enhanced productivity — recorded as reduced unit labor costs — are added the capital expenses thus incurred, by which the increased gains from more efficient labor are substantially relativized. In the sum of all these expenses, which, as the common denominator of operating results leads to the determination of the company's rate of profit,[12)] this account presents the — fairly paradoxical — result, to which the tireless efforts of "substituting" "cheaper" capital for "expensive" labor costs has logically led: *more and more expenditure* is necessary for making *less and less* work *increasingly productive*, or for *cutting down on increasingly productive work.* Instead of uninhibitedly yielding more surplus, profit-increasing investments end up making the *competition for profits increasingly costly*, so that the quantity that everything really depends on, the *company's rate of return*, is *limited* by the costly methods used to *increase* it.[13)]

12 "Rate of profit" in this context does not refer to the necessary relation between quantities of value — the ratio of surplus-value to total capital advanced — which Marx determines in the concept of the rate of profit. Instead, it is merely the result of a business calculation that measures stated business profits as a fraction of expenses —often as not it is sales turnover that is preferred as the reference quantity in order to complain with the resulting tiny percentage about wages being too high. In any case, the profit ratios the capitalist producers wangle from their competition against each other are just as little arbitrary as the market prices at which they sell, each one only out for himself: capitalism's inherent contradiction between the productivity of labor and the expenditure for increasing it makes itself felt as the regulating factor in the average, and average movement, of these profit rates.

Capitalist employers draw from this paradox the one conclusion that conforms to their system. Bursting with self-praise for their generosity in giving their workers only the best, but with an unmistakable undertone of complaint about ingratitude, they announce that *competitive workplaces* are becoming *increasingly expensive*.[14)] And everyone immediately understands whom they hold responsible for their contradiction: labor is only to be employed if it's worth it, if its unit labor costs make total company expenses profitable. To businessmen, this is entirely logical: they've only gone to all this trouble in order to save labor costs; thus the remaining labor costs have

13 The Soviet Union's "real socialism" has ceased to exist; but anyone posthumously interested in its mistakes, which "mirror" fundamental absurdities of the market economy, will be reminded at this point of a corresponding dogma of the real-socialist science of planning. The contradiction at issue here is taken by this science to lie in the nature of things, not of capitalism; because it imagines that the technology for making labor more effective entails an expense that always has to be met out of the products of work and consequently constitutes a deduction from its product, in this way contradicting the intended effect, which gave planners and managers a lot to puzzle about… In fact, with their key statement of the contradictory nature of the "scientific-technical revolution" that had to be "mastered," the Real Socialists declared themselves followers of an absurdity that in capitalism is, entirely without theory or dogma, common practice. In capitalism, *under the regime of property*, the simplest relation imaginable between means and ends, i.e., between technical expenditure and magnitude of return, does indeed come into contradiction. Taking the technical side of the matter per se, i.e., from the standpoint of a really planned economy, it is sheer nonsense to regard the manufacture of tools, machines or robots as a deduction from, and contradiction to, the result it achieves of making work easier — unless of course one were foolish enough to expend great efforts in the construction of inexpedient means of production. But in capitalism, investment expenses *are a barrier* to achieving the surplus, and have to justify themselves by its *increase*. If this effect does not come about to a sufficient extent, then all the components of the cost price will once again be up for business criticism — and the tried and tested solution is absolutely certain: the reduction of labor costs still has a ways to go. This is how the antagonism opened up by capitalist calculations regarding "technical progress" fuels itself. — And in this the Real Socialists intended to "catch up" with and "overtake" capitalism!

to prove that the expense has paid off: the labor they still require has to justify the payment of labor costs through a surplus that comes out to a nice percentage of the total capital advanced inclusive of investment expenditures. To sum it up in a handy formula: *work has to be profitable* — or it won't take place.

This is how capitalist employers turn their self-created tribulations over the growth of their capital into conditions for wage labor. And this production and cost factor looks accordingly.

3.

One thing is certain from the start: none of the technological progress that capital introduces into the world of work is of any benefit to those who do the work for wages. How could it, seeing as cutting costs is the purpose and criterion of all the measures businessmen employ to raise the productivity of labor. And this means, just to express it in other words: less of the created value, measured in the market price of a commodity, goes to the workers as unit labor costs. The fact that the increase in "output" does not reach the paid workforce is not some additional dirty trick of this progress, but the principle of it. With their work being required for company profit, and their remuneration conforming to the same requirement, workers remain excluded from ever greater amounts of property; the share of social wealth they have at their disposal with their total paid unit labor costs shrinks as productivity grows. In fact, workers have to exert massive pressure, and furthermore the authority responsible for everything, the state, has to officially acknowledge one or another of their concerns, in order to obtain recognition and remuneration for new necessities of life that come along with new living conditions. So in the course of time, increasingly more and diverse articles enter into the national average standard of living,[15)] but without workers

14 In this point, businessmen, with all their labor-saving progress, suddenly know full well that they really don't owe their profits to the labor they've gotten rid of.

15 Under the patronage of trade unions and the welfare state, the working class in the most worker-friendly nation [Germany] has made it from allotted plot gardeners to Volkswagen owners — suffice this to illustrate the principle set forth here.

ever securing more than their reproduction: the chance to meet the demanding requirements of a modern workplace, while at the same time keeping themselves intact as the body politic for the demands of the nation. The "realm of freedom," i.e., of wealth exceeding the necessities of reproduction, which could be expanded for the whole of society with each increase in productivity, belongs in fact exclusively to capitalist property and is governed by its contradictory necessities for growth.

This is why, for the people dependent on working for money, not even their reproduction is secure. In fact, the calculation with saved labor costs, with just a slightly different emphasis, has yet another implication: for the commodity value he gets others to produce, and which he can realize by selling, an employer requires less paid labor; layoffs are the consequence. Defeated competitors really have no use for paid labor anymore; so there are even more workers released — of course without thereby being released from the necessity of gainful employment, i.e., from being coerced into "finding" some kind of work. The outcome is the absurd economic figure of the *unemployed*. Absurd because the fact that so many people are not needed follows from the achievement that less and less effort and hours of work are required to produce more and more goods, which, however, is no achievement at all for the workers now free of work. Their entire freedom consists in the necessity of *being* used again by an employer, which is not only grammatically a passive position to be in, being not at all under their control; especially as it goes against the trend that has just cost them their source of income. They are subject to a coercion they cannot comply with — other than by pathetic efforts, for which of course they find encouragement from all sides, and in fact also have to be urged to do: to offer themselves unconditionally for any possible demand for manpower.

At least the one lucky enough to find, or keep, a job can experience close up a bit of technical progress right at their own costly workstations. Not that the work gets more comfortable and can be tackled more calmly. At best, the industrial world has eliminated brute physical labor — due to its lack of profitability. It has been replaced by expensive machines, which place their own economic demands on the people who operate them. For, the sums invested in this equipment burden the company's bottom line all the more, the longer they are tied up in the form of production plants and machinery that have not yet been fully depreciated. As long as these investments have not yet been made available again as a sum of money through the sale of the goods to be produced with them, they are threatened by a quite insidious form of depreciation: at the hand of competitors, who have once again achieved a profitable reduction of unit labor costs with better methods; for then, work carried out with the existing equipment no longer meets the prevailing standard for profitability, and the means of production themselves, no longer fit for the company's purpose, lose their entire value. The rapid turnover of invested capital is therefore an imperious business necessity, which the workers have to satisfy, first of all by meeting higher production targets through the *pace of work*; then even more labor fits all by itself into the paid work hour, while the company can rejoice once more in a reduction of labor costs in addition to the accelerated turnover. The other, complex work virtue that progressive employers turn into a necessity for their workforce, because they themselves are subjected to the necessity of cost-reducing capital turnover, is known in current parlance as *flexibility*. This refers, for one thing, to the nature of the work itself. Working has long since ceased to have anything to do with formerly unchanging job descriptions; to say nothing of a connection between acquired skills and required tasks fabricated by so-called vocational training. In the continually restructured "job," the abstractness of value-creating labor is the concrete, normal course of work life. The same goes for the work schedule: the duration of work, its distribution by day, week and year, the alternation between free time, work and standby status, all this results from machine run times, which firstly cannot tolerate employee-related interruptions, and secondly definitely have to be interrupted whenever it seems useful for such important accounting items as the order situation, sales climate, inventory, etc.

The necessity to adapt, arranged by the managers of the modern working world, is met by an abundant willingness to adapt. Not because postmodern employees have always really longed to exist as appendages of machines, but because they always make the same calculation; not for a handsome reward, but for the opposite reason: the money is never enough. Capitalism's chief imperative, the lowering of unit labor costs, leaves its mark on the wage an individual earns, a wage that is moreover continually at risk. For, the earned sum shrivels under the state's grasp; all the more, the smaller the nation's total payroll turns out, out of which the treasury helps itself and social policy — until further notice — finances a certain minimum subsistence for more and more unemployed. Private financial hardship is thus part of the standard of living, compelling wage earners in practice to continually try and wring some extra compensation out of their source of income — or at least a bit of "job security," even at the price of further sacrifices. In this way, the *un*suitability of the wage system as a means of existence for wage earners reinforces their willingness to assess their own expenditure of time, energy and health — which are, after all, the conditions for whatever useful value their own life has for them — not at all as a kind of expenditure, but right from the outset as their resilient own means of income.

It is for the employer alone, who pays for it, that labor power thus becomes a truly effective use-value. It is harnessed to his competitive fight, as if it depended on wageworkers — maybe if they gave up overtime pay or were willing to work Sunday shifts — whether this fight, always "for jobs" of course, were won or lost; actually they have absolutely nothing to contribute, let alone to decide, apart from their us*able* labor *power*. All the freedom to get wage labor, the source of all property, to function as a means for competition lies with the employers; whose corresponding demands grow along with the means they employ.

And, interestingly enough, these means exceed by far what capitalist commodity producers extract from their workforce.

IV

In order to make their means of competition, labor, more effective, employers use not only their own earnings, but also debts. By borrowing money and accepting promises to pay, they obtain the freedom to continuously carry on and expand production and increase its profitability beyond the limits set by the size of their assets and the profits they make at any one time. Credit, which has become a separate, independent branch of business, enables businessmen to make huge investments for winning market shares while ignoring all barriers they run up against in the process. However, this makes access to loan capital a necessary condition for business, makes profit a means for getting hold of someone else's property, and makes creditworthiness the criterion of business, i.e., its purpose.

Money owners who invest their assets in other people's business are entitled to a share in the company profit, a share specified in advance as a fixed proportion, not of actual business returns, but of the sum of money they lend. By promoting their debtors' business, creditors turn it into a means of accumulating their own money. This is the basis for an independent branch of business that consists in lending money professionally. And finance capitalists calculate remarkably freely with the money they lend: they chalk up their claims against their debtors as disposable, interest-bearing assets, i.e., they treat promised payments as investable property. This is the way they "create" the credit they provide to businessmen, enabling them to do business. From this point on, however, their business has to meet a new, speculative standard: it has to yield the anticipated return and thereby validate the equation of profit expectations and capitalist assets on which the enormous capacity of the credit trade depends.

Labor, which creates real property, is thereby enlisted to meet business purposes that go far beyond the contradictory criterion of a productivity that guarantees a company's profitability: the fruits of labor have to ensure a company's creditworthiness and validate the creditor's money-creating speculation. The demand that labor be so profitable, however, contradicts the exceedingly limited purchasing power gener-

ated when labor is paid in accordance with this demand. As a result, the capitalist ambition to turn more and more credit into profitably invested capital fails periodically due to the impossibility of realizing the required profits on the market. Fiercer competition between suppliers of commodities, as well as between industrial and financial capitalists, then results in a depreciation of the credit-financed capital advances made by the class of capitalists as a whole; accumulated property finds no profitable investment opportunities for a time. In accordance with the logic of the system, it's the other class that suffers for it: the last expedient use of "the factor" labor consists in bringing it to a halt. The constantly recurring result is the well-known crisis scenario in which a whole lot of surplus monetary assets exist side by side with a huge surplus of the earth's wage-earning inhabitants.

1.

Everybody knows that business life does not only take place on the markets where enterprising employers profitably turn the commodities they have had produced into money. The most impressive branches of capitalist activity are to be found on the floors of the stock exchanges, where television viewers can watch brokers producing zigzag curves, or in those fantastic computers that move multibillion sums around the globe in a matter of seconds. In any case, the fastest money and the biggest fortunes are made in spheres where money owners, or their agents, are entirely among themselves and their pieces of paper, on which nothing but highly speculative promises are quoted.

Detached as all this may be from simple commodity production and circulation, it nevertheless is not unconnected with those sectors of the capitalist economy that are called "real" by contrast. When a bank collapses due to bad speculation or, conversely, a share price rises to unforeseen heights, everybody expects material effects on industry and trade, even if no one has any idea what they will be. Conversely, "full employment," which these days is taken to mean any single-digit unemployment rate, can bring down a whole national stock index, perhaps because it is feared that full employment will lead to higher wages, higher wages to more inflation, more inflation to higher interest rates, and higher interest rates to falling share prices — regardless of how right or wrong each of these four "paths" actually is.

Mass layoffs can in turn trigger upward jumps in share prices if a broker takes them for a sign of more ruthlessness in raising profits and doesn't care to distinguish between the taking of a measure and its success, and so on and so forth.

So it is generally accepted that the autonomous world of speculation on interest-bearing notes and such has *something* to do with the world of work. It is also commonly recognized that this is a strange relation of unfathomable nature and often marked by surprisingly open cynicism. Less widely known, perhaps, is *how* the credit system *completes* the capitalist regime of property over work.

2.

Every businessman comes up against limits in his business. For the purpose of investing disposable funds in order to compete successfully, his capital always proves too small. The fact that it grows is no help, for once it is invested, it is tied up for the time being, out of reach for making any "flexible reactions" to current business conditions; it is not available for some possibly indispensable rationalization of production if competition dictates it. Moreover, investments that promise sweeping success normally cost much more than can be put aside from incoming returns. So it is not just that businessmen always like to earn more and are willing to "venture more" to do so; rather, because of their property's limited size in comparison to the competition, their property is never the optimal competitive condition it should be.

Credit — other capitalists' acknowledgment of one's future business returns as current ability to pay — helps to overcome this barrier. This is how businessmen engaged in production and trade provide each other with "liquidity" that they have yet to earn by accepting, in lieu of real payment, promises to pay at a later date for a small fee, thus procuring a certain independence from the time-consuming drudgery of selling. And for financing investments, there are money owners standing ready with loan capital, likewise for a certain fee. Thus the trust of others in future competitive success frees up current, investable funds that can be used to compete for such success. In this way, credit increases the employers' capacity to marshal profitable labor by freeing them from their dependence on past business success and profits already earned. And because this is done for the sake of succeeding in competition, no firm can get around making use of the services credit provides. In the world of business, credit is ubiquitous.

Of course, because they have gotten their business rolling by using others' property, there is an increase in the claims to the profits that manufacturers have to realize on the market. After all, the deferred payment has to be redeemed, the borrowed capital has to be increased in the proportion fixed by the interest rate. The capitalist method of calculation, according to which it doesn't matter at all that labor creates new property, but only that *capital* increases *itself*, becomes the content of business here. The fact that businessmen measure their profits in relation to the total of advanced capital now becomes the creditor's claim and legally documented right to a previously fixed rate of growth of the loaned sum of money. This claim has to be financed out of the businessman's profits, regardless of how much, how fast, or whether they grow at all. The success that a company seeks to ensure, promote, and expand by deferring payment or borrowing money thus turns into a legally guaranteed "constraint" on its business — and the struggle between debtors and creditors over the rate of interest turns into a never-ending conflict in the business world.

So when creditors and debtors make themselves dependent on each other's success by combining their respective property for the sake of its profitable employment, their relationship does not become a complementary one. Instead, credit *adds a new competition* to the competition between producers, one which affects a bit more than the division of profit:

— The borrower gears his business towards the goal of proving his company's success through punctual debt service. In other words, his aim is to remain *creditworthy* in order to get hold of the property of *others* as a means for *his* profit in a continuous, preferably more easy and reliable way. The firm turns into an instrument for operating with other capitalists' money for its own advantage.

— The lender conversely accumulates his property by means of someone else's business activity. He makes himself dependent on the success of his debtor, and for that reason insists with all due ruthlessness that the latter service his claims before all others. The creditor demands that the debtor subordinate his business calculations to his obligations to pay interest and repay principal, at the same time requiring collateral assets for the purpose of ensuring a lastingly profitable course of business; otherwise, the creditor would just be left with a ruined debtor's residual assets to minimize his losses.

This new competition alters a crucial detail in the purpose of capitalist commodity production, a purpose which consists in accumulating invested money. The accumulation of property is no longer the simple aim for which an employer demands that his factors of production give their all; rather the granting of credit anticipates the success of this endeavor as a matter of practice. It does this not just by making solid prospects for success a condition for loans, but in the material form of treating profits yet to be made as disposable property. Promises to pay turn into means of payment: the borrower has means of business at his disposal that the business has yet to produce; the lender has claims that he enters into his books as growing monetary assets. That the workforce in their credit-financed workplaces will produce profitably saleable commodities, and that the sales will go through successfully, so that the invested capital will yield a profit and the creditor's interest claims will be serviced reliably — all this is taken for granted as fait accompli and precondition for the *real* business at hand. The latter takes place between debtor and creditor and consists in both parties bringing about the accumulation of their money *among themselves* — one by entrusting his money to someone else, the other by being able to use someone else's money. Labor is awarded the honorable task of redeeming what the parties to the credit deal have already settled among themselves as an established fact.

With credit, not only does money capital appear in an independent form as a business player, but productive business activity also makes itself independent of its own material side. The claim on profits that money capitalists' demands for interest assert against commodity producers competes with the latter's pursuit of profit, because *both* parties have the *same* interest in business earnings. Both regard commodity production as the means to redeem in real money their common expectation of good business, which they have already credited to themselves as elements of their capitalist assets.

Should the business fail, the very same property claims created by the credit transaction are what come into conflict.[16)]

In sum, the business between lenders and borrowers creates the means that enable employers to make ever increasing competitive efforts, whose extent is not limited by past accumulated profits but is as great as the willingness of money capitalists to bet on future yields. For that reason, however, the *capability* to perform great capitalist feats in the competition over commodity markets is at the same time a *compelling impetus* to perform them. For it is precisely because the provision of necessary means of business detaches itself from actual business success that the wealth made available itself then depends on sufficient returns, and that the binding measure for the competitive efforts of commodity producers then lies in their obligations toward the world of finance.

This has consequences.

16 There is no doubt that this relation includes a few conflicts of interests beyond the antagonism between competing commodity suppliers. But these conflicts concern opposing, competing interests in the disposal of profits. Therefore, they constitute a further antagonism *within* the capitalist class. So the utilization of commodity production for servicing debts, for its successful transformation into capital, has nothing to do with the subjection of labor to the interests of property. For example, fascists (cf. Gottfried Feder, Nazi economic thinker — ed.), and not only them, invent an analogous relation between "producing" capital, including its workforce, and "greedy" finance capital, and turn this conflict into an argument for a patriotic united front against the latter. Those who create real wealth in and for the nation are to stand up to those whose worldwide money-grubbing damages the nation. In truth, the credit business gives an independent form to nothing other than the purpose of production pursued by all "producing" employers. Indeed, it does this so drastically that it can turn against the very business it credits, but this is the only reason why it makes funds available *to* productive profit-making that have not yet been made *from* productive profit-making.

By the way, this fundamental identity of interests between the two sorts of money-owners is the objective reason why largely the same people turn up as directors of industrial and banking concerns. Such correspondence is rather less common between employers and employees.

3.

The limits set by the total purchasing power of society are of no concern to an individual employer; the limits he has to deal with in practice are those that lie in the size of his assets relative to those of his competitors. Of course, the money he earns "on the market" must first have been earned by his customers. And since the capitalist business world has monopolized the command over work in society, it is no secret where and how that happens: wealth is produced in order to be realized through sale as an abstract quantity — as an excluding power of disposal, quantified in monetary units — in the hands of property owners. By paying for necessary work out of their sales proceeds, these property owners put money income in the hands of their employees. By these payments and by making payments to each other, too, they transform produced values into earned money. In addition, there are all sorts of functional services that employers deem to be worth part of their income — i.e., part of the profit contained in the value of commodities realized by sale — and that thereby create further money incomes; the state nationalizes what it sees fit, thereby spawning civil service salaries as well as its own demand for goods, all of which employers can also use to make money. This is all done on the basis of the *equation between produced commodity value and acquired money*. Nothing and nobody other than the labor commanded by capitalist producers generates property that has its economically effective form in money. In this respect, each employer contributes to the creation of the purchasing power that he then competes for when selling his commodities and nobody besides people like him creates it. Nevertheless, he is as indifferent to the service he thereby renders all his colleagues as he is to the general limit thereby set on the sale of commodities as a whole.

The practice of deferring payment and lending money, which has become an established, separate branch of business, intervenes most effectively in this fundamental relation between capitalist production and the purchasing power of society. Constantly and at every turn, credit suspends the *dependence* of commodity sellers on the money of society, on the solvency of existing needs. For that very reason, credit also asserts this dependence periodically by *restricting* all business activity.

a) Finance capitalists[17] put into practice the capitalist delusion that property possesses the ability to accrue entirely on its own — without a “detour” via the materiality of goods and material work, both of which have of course already been degraded in capitalist commodity production to mere stepping stones on the way to the accumulation of money. Backed by their right to interest on the money they lend out, they heedlessly disregard the dependence of their business on the profit their debtors actually make, taking the liberty of regarding and treating accepted promises to pay and bonds of indebtedness *themselves* as value-bearing assets. They do not take them as mere claims on money they have lent out, as claims to be repaid plus interest, to be precise, but as another form of perfectly disposable financial assets with built-in growth that can be transformed into money at any time and for that reason are as good as money. Furthermore, since speculation on the earnings potential of the credited commodity-producing business is emancipated from the actual course and outcome of this business, earnings from credit can themselves become the object of a credit deal that supplies one party with additional money and the other with a new security that is virtually the same as money, and so on…. In this way, a whole lot of financial claims arise which *have* money value that can be realized at any time within the world of finance, although in substance they merely document title to wealth actually created elsewhere, and *are* therefore nothing but outstanding claims or —conversely — debts. On the basis of profits not yet made, money that is not available, along with the claim on its accumulation, is treated as disposable wealth.

Of course, not everybody can bring off such a transformation from promised payment to regular property. For that you really need finance capitalists, who have the money of society in their hands and for that reason can redeem at any time the claims they accept, thus vouching in practice for their value. In fact, these sorts of capitalists manage the trick of “creating” money without labor, a feat they accomplish with the power of their money

17 The diverse variety of the credit business — from bills of exchange to shares in a firm, from stock market speculation to derivatives trading — are all lumped together here, as we are only concerned with the fundamental relation between money creation in the financial sector and creation of property by means of commodity production.

merely by accepting claims for money as tradable assets. To be sure, these claims ultimately remain nothing but outstanding accounts that have yet to be settled, referring to wealth that has to be created by real labor — even moneylenders would have trouble living off the figures in which they quote their so-called "expected" interest rates and the like. Even in the world of finance, private property is not a matter of fiddling around with figures, but an exclusive and socially binding form of wealth produced for just this purpose. Nevertheless, when the authoritative, i.e., finance, capitalists accept financial claims and debts *as* valid claims *on* real wealth, they turn the latter into securities that are equivalent to money, in principle indistinguishable from the economic power conferred by property earned in the commodity trade. This isn't surprising, because, after all, property created through labor in the productive sphere only realizes its true purpose, that of conferring an abstract power of disposal over goods of every kind, once it has *detached* itself from its object produced by labor — the commodity. The only difference is that in the sale of commodities this abstraction really takes place, whereas the "creation of money" by credit takes this abstraction for granted as a prerequisite for its business.

b) This difference is in no way irrelevant within and for the credit business. Nobody pays closer attention to the solidity of securities, to the soundness of promised profits, than do the money owners who buy and sell such "products" from and to each other. Nobody knows better in practice just how much a claim to money and its redemption in money are two different things, between which there are even various degrees of "business risk." But after taking all that into account, finance capitalists insist with all the power of their money on the fiction that the two sides are *identical*, that acknowledged promises to pay money are as good as money paid, and that all money is a legal title to accumulate more. They obstinately proceed on the assumption that what they are speculating on *is* already wealth, and that all business activity financed by credit is good for nothing other than making this claim come true, a claim that has long been settled, turned into money and used as money capital. They handle their money claims like settled outcomes, for which the necessary conditions are to come about as a matter of course and entirely automatically.

It's not that they are deceiving themselves here, but that they're making the most demanding claim imaginable, a claim whose satisfaction is not completely free of certain contradictions.

c) The credit created by finance capitalists generates genuine purchasing power — both for the concerns of banks and for the industrialists to whom they lend. The latter use it to make investments, i.e., to pay suppliers and pay out wages to the yet-to-be-downsized workforce, thereby pushing ahead with their competition for market shares heedless of the actual reflux of the money advanced. In so doing, they all expand their production, not only without any regard for the limits of the effective demand they supply, as always, but far beyond those limits. Their sole criterion consists in the market shares remaining to be captured as well as the advances and interest claims of their creditors. These latter claims are boundless for the simple reason that they are after all based on the very liberation of the employment of capital from the bounds of produced wealth. This is why industrialists spurred on by credit are not the least bit bothered by the fact that their correspondingly large-scale competitive activity increasingly constricts the purchasing power of society at a rather crucial point: their enormous "labor-saving progress" diminishes the income they put in the hands of their employees. They thereby complete the separation of production from social needs, which is the basis of their business anyway. After having subjected all needs to the criterion of profitably exploitable purchasing power, they then go and emancipate themselves from the criterion of existing purchasing power.

d) After all, *effective demand* in society does not increase just because credit allows *creditworthy businessmen* to make payments whenever they need to. The monetary claims that pile up in bank ledgers are not at all intended for the purpose of buying commodities from capitalist suppliers. It may well be that loan managers who become rich dealing in credit need far more and far fancier goods than average, if only to underline the credibility of the promises to pay they represent, and speculative profits can also be used to build absolutely real bank palaces, but this is not the point. The definitive economic purpose of the claims to money managed and accumulated by the credit trade is not to *realize* the commodity value of the masses of profitably produced goods, but to *share* in their *realized* value. Self-accumulating debts do not augment the purchasing power that commodity producers compete to profitably utilize; rather, they augment *the claims made on producers' profits.*

These claims not only take the form of loans to be repaid plus interest. Stock trading, for instance, replaces the direct tribute of interest payments with a general relation between a company's fate and the value of its shares, a relation mediated by dividend payments. This is the foundation for credit operations that turn the trend in a company's share price, or even in a weighted collection of various shares, into a further object of promised returns that themselves become tradable securities; such speculation also takes place on the average national business trend, and so on. Manufacturers have to vouch for the entire speculation with their actually realized and profitably invested profits. They have to deliver the business trend anticipated by speculation, because the corresponding "securities" — from stock shares to the most ingenious derivatives — have already become property used as the equivalent of money. This is how finance capitalists obligate the entire business community they credit to validate the fiction that forms the basis of their credit business, namely that debts and wealth, credit and money, promises to pay and property are all the same. Although this amounts to the admission that securities dealers on their own can only accumulate their securities without really being able to vouch for their money value, it is precisely for this reason that finance capitalists insist so uncompromisingly on the functionality of all business activities for the quality of their monetary claims. They promote themselves along with their securities to the role of economic basis, while demoting the production of commodities along with the realization of their value to the rank of corroborating evidence for the recoverability of their debts. "Real" business takes place *in order* to provide finance capitalists with the guarantees of success they deem necessary for their speculative property.

e) By performing this service for the world of finance, capitalist employers run up against "limits to growth" that have up to now not been set by their employees nor ever set by nature and its "resources." The profits they compete for must meet a standard in terms of rate and volume that is set by their creditors' claims and the credit spiral that arises from them. This standard necessitates that they determine the extent to which they expand production solely in accordance with their debts. And that inevitably causes production to collide with the limits of purchasing power in society — which they repeatedly trim down every time they rationalize production. The result is that sales stagnate across the board; markets become glutted. Of course, this result of their competition is something that each individual producer regards as a sign of its own impending defeat in the struggle for market shares. Consequently, they need to borrow capital more urgently than ever, above all to cope with the timely servicing of their debts. However, the lords of finance capital can't help noticing that their debtors' competitive difficulties periodically assume epidemic proportions. They see their loans increasingly going "bad"; they have used their financial might to treat their rights to yet-to-be-earned earnings as currently employable, money-valued property and this threatens to turn out badly for them in more and more cases. In this way, the financial sector views its *own* troubles with its balance sheets as a sign that not only the one or the other producer has run into difficulties in competition, but that profits as a whole leave a great deal to be desired, because they no longer guarantee the value of the growing claims on interest and earnings trends.

Finance capitalists don't quit their business on account of this trouble, but instead translate the increasingly critical general business situation back into merely particular cases of business failure. Faced with more and more candidates for insolvency, they must sort out their debtors all the more uncompromisingly. They separate the bad ones, whom they ruin by withdrawing credit — even if a few of their own outstanding loans have to be written off in the process, they cover their losses as best they can out of their debtors' remaining assets — from the other candidates, who they bet on to gain from the crisis, and to whom they are accordingly generous in providing credit. However, in doing so, they *generalize* the crisis situation, for every business they ruin by withdrawing credit brings about insolvency somewhere else. On the other hand, loans that are continually prolonged and increased end up ruining the bank itself, damaging all its creditors and debtors in the process.

So at just this critically intensified point in competition, commodity producers and finance capitalists are shown to depend on one another and feed as *one class* on wealth in the form of commodities to the extent that the paying public turns them into money, or rather, into more money than their production has cost. Once again, the *entire* business world has invested more in their competitive battles than could be profitable *altogether*. Now, competition rages over how the now unavoidable “slimming down” of capital and credit is to be spread around.

4.

In the first instance, the only sense in which this affects labor is that it blithely abstracts from work’s necessary services for capitalist property. While commodity-producing capitalists rationalize work away and chalk up their gains to labor costs they no longer need to pay, finance capital acts from the outset as if it were its very own source of accumulation. [18)]

Some friends of the working class take this fiction so seriously that they accuse finance capitalists of failing to make their due contribution to “employment” despite the enormous sums they move around every day, denouncing them for accumulating their money merely for the sake of speculation instead of investments to “create jobs.” Such complaints are fairly perverse, because in the name of the workers, they totally ignore the extortionate character of workers’ “situation” in which “employment” — in plain English: work according to capitalist criteria — is a necessity. Besides, “employment” is never a capitalist concern; even for good old commodity producers, who give lots of people work, employees are always a means to an end they share with all speculators, and whose realization necessitates orchestrating layoffs and intensifying work to the point that only the desperate would really wish for that kind of “employment.”

Moreover, the complaint is a bit unfair. Whatever jobs employers may create, they create them only with the inexhaustible means of that trade that turns hoped-for profits into disposable financial resources for procuring the required “factors of production.” It is by using loan capital that commodity producers engage in their ambitious competition for the lowest unit labor costs — to be sure, this “secures” only those positions that are still required at any given time, and those only as long as they make the company and its credit obligations profitable, but other kinds of positions are not to be had

18 The former aren’t interested in work as the source of their wealth because machines provide them the same service cheaper; the latter think nothing of work because they create their money themselves. Machines and debts should really join forces!

from capitalist employers anyway. It is to the financial industry that industrialists owe any sales possibilities they may discover for pursuing their fundamentally insatiable interest in having as much of this kind of streamlined and compressed labor under their command as possible — at the expense of their competitors, of course, which does not necessarily increase the total number of "employed." For it is the financial industry that offers them the freedom to act independently of market developments, enabling them to really turn the market into their battlefield.

Not only does the credit trade make commodity producers conditional offers to step up their profit production, offers that nobody who wants to stay in business can refuse, it also forces them to make increasingly extensive use of ever more sparingly employed labor, i.e., ever more productively employed labor, as a condition of their creditworthiness. Even though the credit trade does not bother distinguishing between the real wealth of society and property in it, not to mention caring about the connection between property-creating labor and the money it costs and yields, it makes clear enough to its debtors that its self-accumulating assets consist in legal claims that the rest of the capitalists consequently have to satisfy, only to be ignored at the price of their own ruin. What credit managers push through in the most effective way possible is wage labor carried out in its most profitable form, labor that is both productive enough and takes place on a large enough scale to secure the profitability of not only the company itself, but also a mountain of credits, of securities that speculate on the growth of one company or several companies, or even on the trend of an index for the growth of selected firms…. Credit managers simply take all this for granted, and let every company that fails to meet their standards go under for lack of credit.

So all things considered, to complain in the name of the workers that finance capitalists are not committed enough to employment is to trivialize what it is that finance capitalists really do. After all, financial institutions and their loans promote above all else the contradiction that less and less labor has to make more and more capital profitable according to more and more demanding criteria. They promote the competitive concerns of commodity-producing capitalists to any desired extent and demand success; and, by providing the *means* for increasing the productivity of labor, they also impose the *standard* for the profitability to be achieved. In this way, they dictate both the standard that labor must meet to be worth its wages, and the extent to which workers must be made redundant. Their demands are so high, if only for the sake of the security of their speculations, that they are met by less and less labor — in two senses:

Labor can only be profitable enough if the fraction of wages in the produced commodity value tends toward zero — with all the well-known consequences mentioned in the last section: consequences for the ease of work, for the relation between the wealth workers produce and the wages that are to cover their vital necessities, and for the number of workers “released” from the opportunity to earn a living by working for others in a world where this has been made a necessity. The achievements of credit add another consequence to the list: it finances not only the “technical progress” that allows employers to economize on jobs and their holders, but also the intensive use of labor at newly created workplaces — until it turns out that they generally fail to function as a means of competition because altogether much too much work is being done compared to what can be profitably sold. The agency that brings about this practical insight is once again the credit trade; it decides on the creditworthiness of competing companies and forces them to “reduce employment” accordingly or face ruin, thus revealing that all jobs are based on nothing but its speculation, and that there are times and phases when this speculation simply doesn’t work out so well. The result is a jump in the unemployment rate, which takes an even greater toll on the capitalistically usable purchasing power of society, thus proving even more of the work done up to now to be superfluous. That’s why “recessions” have the well-known unpleasant habit of “deepening.” The eventually inevitable upturn then takes place on the basis of a “downsized” business world and, of course, with the most effective production techniques. So at last, companies grow and make creditworthy profits, while the legion of the unemployed decreases only in drips and drabs, if at all. Thus the result of the last business crisis remains: less labor is needed to make as much capital profitable as possible.

In this manner, capital’s growing power to accrue by itself in the form of anticipated business success, and to make capitalistically commanded work functional for the credibility of this self-accumulation, also gives rise to the “phenomenon,” so peculiar to the market economy, of an “industrial reserve army" made up of workers without any prospects of being employed.[19] The periodically revised excess of credit-financed business activities is matched by an excess population whose superfluousness results solely from the uselessness of so many people for work that meets the standard of sufficient profitability. Otherwise, these people wouldn't be faced with any obstacle to providing a decent living for themselves; even the means of production would still be there after having been shut down during the most recent business crisis.

Those who find themselves in the ranks of the excess population, and all others who realize they might be joining them any time, are thus forced to *worry about finding work*. This is an extremely disgusting concern, actually, because those forced to have it have no expedient means for addressing it. The matter becomes downright hopeless when advocates of the workers' cause address this situation by calling for "jobs," making a *demand* out of the *necessity* that capitalists have created — and will hardly be the ones to abolish. It is not in order to trash capitalist business as an unsuitable means for making a livelihood that they complain about the nasty experience that this business, in the course of exploiting the productive power of work, also brings it to a halt on a massive scale, but rather to push it on people as their own best interest. They demand a capitalistic use of labor because, and only because, capitalists, who want the exact same thing, impose the most de-

19 This became normality in Germany some time ago; these days, everyone knows that the era of "full employment" was the historical exception, and that it will never again become the ostensibly normal case. It took an enormous economic collapse, the loss of a world war, and a new capitalist beginning with the support of plenty of foreign credit, one which was not dependent on domestic poverty as a sphere for earning money, but instead had access to the purchasing power of the entire capitalist world as a competitive field for commodity sales. All of this was needed in order for the German "economic miracle" to absorb more workers than it made superfluous. Today, Germany is no longer in the position of having to first create capitalist wealth through a whole lot of wage labor and the realization of manufactured commodities in export. Its globally active financial wealth now makes use of far more productive labor than is "employed" domestically. The growth of this wealth subjects domestic "employment" to an extremely demanding standard — and conversely no longer has its measure in the amount of work performed domestically.

manding conditions on the satisfaction of this demand for the sake of harvesting their economic effects.[20] The call for work no longer includes a reminder that workers themselves might have a few conditions to place on their being used for the benefit of others — or if it does, it is only to reject them. "For the sake of jobs," demands of this kind are simply obsolete.

20 That is why the demand for "employment," as obsequious as it is, doesn't even fit objectively into the system of wage labor. Labor is above all the interest and claim of capitalists — and only for that reason the condition of life for everybody else — so it is completely up to them to define the criteria by which they can make use of it. The call for a somehow legally enforceable "right to work" thus contradicts the logic of the system — but only its logic; there once was a system, now over and done with, that achieved the contradiction of using state power to enforce this right, a system whose program consisted in knocking the free disposal over the work of society out of the hands of the capitalists, nevertheless without thereby properly abolishing property-creating labor as the standard for the wealth of society, in order instead to put the yield of this labor at the exclusive disposal of a common good decreed by the state. Otherwise, the desire for a "right to work," taken as a demand and as a contribution to the interests of wageworkers, expresses nothing but submissiveness and the willingness to make sacrifices; that's why it so well suited the fascists, who obviously had quite a different use for such working-class virtues than capitalists do. However, in the milder form of gripes about a lack of jobs, with no hint whatsoever of the notion that one could or should obligate free capitalists to employ people, all politicians welcome the petition for "employment." After all, in addition to the decisions their capitalists make, they like to dictate *their* conditions.

V

Industrialists compete for profit all over the world. When beneficial to their calculation, they acquire all kinds of business items abroad; when selling their products, they take advantage of foreign purchasing power for their turnover. Due to the internationalization of trade, a company's profitability depends on its products standing up to the comparison with commodities from all over the world, at home and on foreign markets. From the global supply of competitively-priced commodities, capitalists daily gather what profitability is required of work, and what a workforce has to achieve in terms of costs and productivity if it is to justify the unit wage costs it generates. Once companies have the freedom to place their investments anywhere in the world they choose, they explicitly subject their workers — without any prejudice in the "issue" of foreigners — to this global competition over the price of labor. Whether and to what extent their "employment" is *necessary* is settled by a *universal* comparison to which they are subjected by those who lord over labor.

The capitalists' freedom to make money across borders is the result of an agreement between nations, which regard the *territorialization* of the business they look after as a *restriction*. States that obligate their societies to accumulate capital after all base their continued economic existence conversely on procuring their financial means from their citizens' turnovers and incomes. Their interest in as much "gainful employment" in the country as possible corresponds to the need of businessmen to expand production and trade by making use of *foreign* wealth.

The internationalization of the sources of the wealth of nations turns this wealth, the *nations'* money, into the object of *their* competition. By resolving to make their national currencies convertible in the interest of foreign trade, states, on the one hand, acknowledge them in principle as having the quality of world money; on the other hand, they relativize the equation between their local means of payment and universal money. From exchange rates and *national balances* they realize how much world money the competition of capitalists has raked in for them;

and in their permanent concern about the *stability* of their highest national good, which they define by the entire range of capitalist usefulness, they sum up the success they seek to secure themselves against others.

Money patriotism is, firstly, always on the agenda because it is the capitalist state program. Secondly, a lot of fuss is made over it from time to time when the capitalists' calculations and results do not (any longer) provide the service for which the state promotes their business. Then the national leadership supplements its extensive supervision of the global business world with *site policies*. The pertinent measures are regarded as a *national re*action to *"globalization,"* and they aim to keep (restore) attractive business conditions in the country.

That doesn't bode well for "labor," because it — it's profitability, of course — is what the fuss is explicitly all about. To be sure, the pronounced will for "change" is blatantly directed against foreign countries, but sets out to overturn domestic "social conditions." When politicians seek to fend off damage to their people with site policies, they are just accepting the judgment the international business world has passed on their working population. Then wage earners have to prove their worth according to the global standards of price and performance — and the lever to bring about this condition lies in the power of the social constitutional state over the *national wage level*. The state executes the imperative of global profitability on the working class because, after all, a nation's wealth is based on profitable labor.

Those affected by this requirement are called on as citizens not only to put up with the nation's site policy: along with their sacrifices, they are supposed to adopt the offensive thrusts directed against the rest of the world.

1.

a) The people who own productive wealth and face the less well-endowed part of society in the role of employers, really treat their wageworking production factor — quite appropriately and without any deliberately evil intent — shabbily enough. In return for money that barely covers the expenses necessary for reproducing the required labor power, they appropriate their workers' productivity. To compete for market shares, they lower unit labor costs, thereby arranging for more product measurable in money for less wage payment. The labor not saved still has to make the investments for such "labor-saving progress" profitable in the required proportion; otherwise it simply won't take place any more. Furthermore, legions of finance capitalists help themselves to the profits brought about by labor; they conclude business deals for mutual enrichment with their commodity-producing colleagues, and blithely with one another, as if the sole source of the wealth they are out for, i.e., the sole source of their property, no longer mattered at all. Nonetheless, wage labor still has to vouch for all this, successfully and to everybody's satisfaction in the finance business, in order to justify its further use and payment. Many workers become redundant in the process, while the others become constantly poorer compared to the wealth gotten from them. And when in the wake of this, the course of business as a whole has slipped into a crisis, it gets back on track at the expense of its so contemptuously treated source.

So life is miserable enough for the "labor factor," which capitalist society compels the majority of its members to be — but wait! As if everything capital did to its wage-earning people in the normal course of business and its accompanying cyclical trends were nothing at all; as if the masses were still much too well off in the care of their employers; as if they were constantly jeopardizing the market economy commonwealth with their extravagant welfare; as if all this weren't enough, the *democratic state*, the guardian of the common good and of an all-round, flourishing development of society, also proceeds vigorously in exactly the same way when it comes to wages — *against wages*. As if those "dependent on employment" didn't create the wealth of society that then exists as their independent employers' property, but conversely lived at the expense of their employers and would sap their property if the state didn't keep sufficient watch, the nonpartisan authority presiding over a class society sides against the workers' interest in securing a livelihood. Politicians argue so much against every single component of the wage; against overall exorbitant wage costs; and against an overall catastrophic paucity of exploitable workers ready, willing and able to work — in the few years between "graduation" and "early retirement" — that even the deepest wage cuts look halfhearted. Government polemics against the "welfare society" continue without pause, and policies against the proletariat's "excessive standard of living" are similarly never enough. So that an unbiased observer might really ask himself what on earth actually bothers the state, too, about wage labor's having a beginning, an end, limited capabilities and, incidentally, also a price.

b) The answer is being given at the moment under the economic policy code word, "globalization." With all the majesty of a cosmic law, the "globalization of markets" or "global competition" supposedly makes it impossible to "just carry on as before," with high labor costs, that is, and above all luxurious *additional* labor costs that make the "labor factor" impossibly expensive — what a trained eye sees at once by the high jobless rate that just won't go down. Medical care and short-term disability benefits until sick people can function once again; unemployment benefits until the slim chances of reemployment are exhausted; a retirement benefit above the poverty level after forty years of average work: all this and much more is said to be "no longer viable" since capitalists have started competing globally with their commodities and critically comparing business conditions in all the four corners of the globe when making their investment decisions and taking advantage of only the best opportunities. There is even talk of national sovereigns becoming increasingly powerless, losing their power as a result of the free calculations of employers — a rumor intended to justify as irrefutably as possible that this sovereign state may by no means leave the exploitation and impoverishment of its wage-earning masses to the employers alone. Rather, to regain the initiative in economic and social policy, the state must fulfill in advance the competitive requirements of business for a reduced livelihood of their workforce — its power is definitely great enough to do *that*.[21)] But

21 The ideology of "globalization," with its diagnosis that treats the internationalization of capital as equivalent to the deprivation of the national state of power, corresponds to the fascists' view of things remarkably well, only as a mirror image, with a plus sign instead of a minus. Fascists see internationally active capitalists plundering, weakening and — unless Providence sends a fuehrer right away — driving their highest good, the nation, to its downfall, and illustrate their patriotic disaster scenario with the poverty that the faithful masses are plunged into, not for instance by capitalism, but by its internationalism. The admirers of a global market economy, on the other hand, are pleased to see the well-deserved end of national "isolation," which, for them, includes in particular the past "high wages" and "welfare" functions of the social state se-

for all their efforts to justify the objectives of national wage policy as a reaction to unavoidable, higher imperatives, "globalization" theorists do not attach any special importance to their thesis that the individual state is powerless, and that the best intentions for social policy appear to be inconsistent with some insurmountable, adverse circumstances. To be sure, some of them do want to create the impression that the rest of the world is frustrating their truly and profoundly pro-labor aspirations — as if the state that ensures orderly conditions for property and wage labor in its society ever cared about the working class being provided for properly and securely; as

cured by national protectionism — as if they would expressly agree with the fascists' identification of nationalism and "socialism." The way they think is in fact not one bit less nationalistic or imperialistic than that of their fascist antipodes: they, too, want to put their own nation back on its feet to meet the relentlessly prevailing conditions for national success — albeit on the civilian battlefield of capitalistic competition — so that *it* can hold its ground and achieve victory in the now global "economic war"; more about this below. What is outright embarrassing is that left-wing theorists, of all people, feel challenged by the triumphal march of "globalization" ideology to retrospectively give good marks overall to the previous work of the national state, even quoting Karl Marx for the purpose. This begins with an avowed critic of the state such as German social philosopher Oskar Negt speaking of the "state's loss of sovereignty and functioning," when in fact what he is seeing is nothing but the presently required use of state power being put into practice: because *he* disapproves of *this* use of power, politics as a whole is supposedly in contradiction to the true nature of national sovereignty. Leftist state theorists just won't give up their tradition-rich mistake of criticizing every practice of the democratic class state, no matter how unmistakable its purpose may be, by upholding its "real" principles as the promise of, or at least as the tendency toward, a better, anti-capitalistic future. Not that they really intend to arouse hopes for a nicer future with their wrong thinking. Rather, they insist on the view that "however repressive the state might have been, at least it was always a lever for regulating society" and "domesticating the free effectiveness of the logic of market and capital." They think highly of the bourgeois state for always having had its own points of view and enforcing them — *which* viewpoints, and whether they might have had something to do above all with its concerns about its power to rule, play no role at all. As state idealists, they call for the nation to regain its sovereignty against the "dictates" of global capital-if any state would ever let external circumstances deflect it from projects it considers truly vital, and force it to pursue policies inconsistent with its major objectives; and as if the global constraints necessitated by the freedom of business competition would be in force without the states themselves making it a condition for their society's existence. However, most of those who have discovered the "globalized" competition of capitalists and its necessary repercussions for national social and economic policies spare themselves such hypocrisy, leaving no doubt that they not only have no regrets at all about the "pressure to adapt" that they conjure up as being all-powerful, but rather approve of it without reservation. They proclaim that the policies forced — according to their theory — on governments are the only sensible economic policies, and whatever "globalization" makes impossible was never any good anyway. Their implication that up to now, without the constraints of global competition, states had been organizing an ever more comfortable life for their wage-earning citizens, comes along as criticism of the state for misconduct it should have long since given up and now quite rightly can't keep up. According to this, what is at present allegedly being forced on nations is nothing but the *common good* correctly understood, to which the state is essentially committed anyway, and to which it should at long last devote itself more resolutely and, above all, more successfully than it has thus far.

After all, the political message contained in the "globalization" ideology is definitely not that the state, out of sheer respect for free competition, should simply permit everything that capitalists do; nor that it has to let competition take its course because it's really powerless. Quite the opposite: the dogmatic avowal of belief in global, free capitalist competition includes a political task for the state: that it *correct* the *results* of this competition for the nation — without, of course, contravening the principles by which these results have come about; instead, it is to use its *political* power to assert the interests of competing capitalists so effectively that they, with their successful business activities, can't help but meet its standards. The dogma of globalized competition defines the good of the nation in terms of the world economy, i.e., in accordance with how well the country is received as a

ism, suggesting that life under capitalistic conditions would not be that bad if only the state had the upper hand.

business location by internationally active firms, and requires the rulers to implement a *site policy* that satisfies this definition in practice. With this, the nation is to win *its* competition against other nations: this is the *imperialistic imperative* that state reformers are asserting when they inveigh against a "national mindset" that has become outmoded in the age of "globalization."[22] The "globalized" marketplace is to be the battlefield where nations have to pass their all-deciding test; it is in this sense that the "globalized" market is "our destiny."

The theorists and practitioners of modern site policy side with this imperialistic idea of destiny — proclaiming, not regretfully, but as a self-evident demand of national economic sense, the necessity for the state to act against wage interests. The fact that capitalists, on their very own, already create growing armies of unemployed all over the world, and force ever downward the standard of proletarian living, is proof that this doesn't suffice by a long shot. For the sake of *its own* competitive success, a state that is challenged to promote its economic base must outdo and overtake the capitalists of the world in the struggle against the "good life" of its wage-earning citizens, so that the captains of industry feel better off on its territory than elsewhere.

These days, all nations — the successful activists of imperialism as much as the ones still striving to make it in the realm of economic freedom — declare their support for this conclusion that the necessities of life of their society's labor power are incompatible with national success. If that's the case, then the common good in the contemporary nation-state surely con-

22 The thesis of the "powerlessness of the nation-state" therefore means quite simply the *deprivation of power of other* states — preferably voluntarily.

It is not without irony, but anyway revealing, that the thesis in question appeals to well-meaning citizens concerned about ecology and peace, of all people, who claim to have discovered that "the real problems" have not "stopped at the nation's borders" for a long time now. Criticism of state borders without criticism of state power — which takes care of demarcation and exclusion as it sees fit and also creates the problems whose cross-border effects bring about nothing but justifications for unchecked interference in foreign jurisdictions — invariably boils down to the realization, uniting people and leaders, of the necessity that one's own nation must succeed in the competition of national powers in order to be able to effectively dictate to foreign sovereigns.

tains its very own political reasons of competition for treating the labor factor badly.

To wit:

2.

a) The state obtains the necessary means for its power from the capitalistic exploitation of labor.

It exists on the money its citizens earn; the abstract wealth they acquire is the fund it draws on. With this wealth, it commands the necessary and sufficient material means for all its needs and necessities: wealth in a materially tangible and yet abstract, universally usable form. The *private* and *abstract* nature of the wealth of society existing as property constitutes its immediately *political* usefulness.

And this wealth accumulates virtually on its own once a state has restricted its citizens to private property as the sole condition and general possibility of using anything, has tied them down to moneymaking as the exclusive means of obtaining anything useful. The members of society, by striving along these lines, by consequently separating into classes according to their respective means and serving property as employers or employees, act as a social money-producing machine and thus as an automatic source of capitalist as well as national wealth. The capitalistic nature of social production coincides with its usefulness for political power.

The state is therefore the beneficiary of its own deed of subjecting its citizens to property and making money the “real community”: making money the automatically acting command over social labor and the actual product of this labor. By giving its people the freedom to earn money, the state subsumes them under a system that makes them usable for its power. It goes without saying that it does everything it can to promote this system of capitalistically commanded gainful employment and the growth of its proceeds — just as it makes free and extensive use of the system’s particular techniques for obtaining funds.

b) The state contributes decisively and massively to the increase in the claims on the proceeds of capitalistically employed labor, claims which accumulate in the credit world.

It finances itself also with money it borrows from the business world at interest. It has no problem doing this because it offers its creditors the best possible guarantee: as the 'bank of banks,' it uses its ultimate authority to credit the debts the capitalists incur to get all their enterprises going, ensures the transformation of solemn promises of payment into genuine, namely lawful, means of payment, and in this sense vouches for its own debt obligations. In this manner, the state secures the creation of credit by finance capitalists, allows them to profit on its need for money, and participates in their business successes.

When the state finances itself this way by creating and guaranteeing its own credit, it assumes that it is not just merely increasing the volume of notes circulating in the banking sector, but also initiating more capitalist growth through continually improved business conditions; so that the credit it gives to finance capitalists and takes for itself generates real abstract wealth to be tallied in earned money. The task that the state imposes on its capitalist firms is to turn its debts into a competitive production, i.e., into accumulating capital and in general into "economic growth." It imposes this task in the form of a self-created constraint: it supplies private money owners with a growing mass of interest-bearing bills, i.e., claims to money from its budget, which, just like any other credit instrument, grant the right to privately disposable wealth yet to be created. Together with all the other financial speculators of the nation, the state thus has the proceeds of the capitalist exploitation of labor at its disposal from the outset, even before this labor has actually been put to the test of whether it, with its technologically perfected productivity, can actually come up with the surplus long since distributed.

Because, and insofar as, labor does *not* pull this off, the public debt devalues the business world's state-credited credit instruments as a whole, and thus the legal tender itself that represents the value of the national stock of debts — after all, the public debt is not simply written off as a bad investment and struck from finance capital's stock of assets, but remains valid right up to the extreme case of a monetary reform. Businessmen, with their freedom to set prices, shift the damage to that segment of society that does not make more money with the money they earn but rather has to pay the price of their subsistence. With this automatically acting tendency towards impoverishment, known by the keywords “inflation,” “currency depreciation” — or a bit closer to the matter — “rising prices,” the state makes its wage-earning masses pay for its freedom to supply itself with financial means, and to supply the financial world with means for doing business.

And the state by no means limits all these business practices to its own sovereign territory.

c) The state increases its fund of financial means through the money its capitalists earn abroad with their cross-border dealings. It therefore acts as an interested custodian of a competition that allows the use and payment of the labor factor only on condition that the produced commodity proves itself as a profitable business item worldwide.

Industrial capitalists do business all over the world. They make money abroad with commodities from their own home countries, thus confronting producers elsewhere with their production costs, competing globally for market shares with their unit wage costs, and thereby lowering market prices on a global scale. Conversely, they make use of the products of profitable labor elsewhere, thereby reducing their production costs, and forcing corresponding conditions of profitability on their suppliers. What they achieve by their competition across all national borders becomes the object of their own calculations: they expressly compare the average wages and standards of labor efficiency in the various capitalist countries and come to their investment decisions accordingly. By all these measures, industrialists make sure that all over the world, work only pays off, i.e., is only done, if it satisfies the highest standards for profitability in the world. They turn the achievements in one nation into a constraint on wage payments elsewhere, making the labor factor cheaper globally, and at the same time globalizing the capitalistic surplus population.

This internationalization of the capitalistic source of wealth is based on a determined employment of state power. A state that possesses the suitable means for nurturing its power in the system of private moneymaking and pushes the growth of capitalistic wealth forward with all possible means tolerates neither internal nor external restrictions on this growth. It takes an offensive stance toward the geographic limits placed on its national economy by the proximity of foreign sovereigns, and demands their functional abolition — in the presumptive certainty that the money at its disposal simply cannot fail to increase with the expansion of business activities.[23] Such worldwide trifling matters as the economic system, namely that every nation has to subject its society to property and to all the principles of its capitalistic growth, i.e., has to establish the freedom to earn money throughout the land — a trifle like this goes without saying as an elementary condition for business and is not enough by a long shot: for the capitalists operating out of its territory, the state demands from foreign powers the best conditions for success, regardless of what that means for the livelihood of the people there, who from now on have to work either in the service of the most successful employers or not at all. It shows the same lack of consideration for its own working population: it knows, and is nudged by its partners to remember, that cross-border competition is no "one-way street," but requires sovereign looking after especially when this competition makes a whole lot of national labor unprofitable.

So the state by no means stands by idly watching cross-border business life. It *pushes* the internationalization of capitalist business life forward with a view *to its own interest*: to its gaining nationally disposable abstract wealth. To make this calculation work out, *it* makes far-reaching demands

23 This is the only substantial reason for a capitalist nation to play an active role in world trade, even where, as in Germany for instance, the population has been made familiar from childhood with the complaint about the country's "shortage of raw materials," and been paid the compliment of their "industriousness" being the most important national "resource." Especially in those countries, a people is not called upon to exert itself for any such modest purpose as paying the nation's petroleum and banana bill, which is no more than one item in the sum of expenses that accrue when the country is being expediently groomed as an "export nation." With cross-border trade in raw materials, it is generally the case that the importing nation is not impoverished by it, nor does the exporting nation get rich: the real business always takes place where the "gifts of nature" are used productively *as a means* of business, i.e., for producing growing property. *There,* all the same, it may be of some advantage if the most important sources of raw materials are located in one's own country: not because this saves on imports, but because such a quirk of nature expands the freedom of merchant capital to compare costs and exploit differences.

on labor, i.e., on its capitalistic use: it makes the use and payment of labor dependent on *national* success, the criteria for which being somewhat more complex than those for capitalist business success. And the fact that it is definitely beyond the competence of this paltry means of business to satisfy these criteria is absolutely no problem at all for the state.

d) The state subjects labor to the standard of success for foreign trade: stable money.

When carrying out the internationalization of capitalist competition, the state follows a rather particular competitive interest: that as much as possible of the money made in the capitalistic world be earned on its own soil. With this in mind, it maintains accounts of money flowing "in" and "out," which, though based on the track records of firms active on its sovereign territory, in no way coincide with them. It brings additional points of views to bear in this matter.

First and foremost, a state asserts its interest in having trade surpluses raise its stock of foreign currencies to a satisfactory level, which its central bank stockpiles and administers as 'reserves' and as a guarantee for the nation's international purchasing power. The state needs and demands such an outcome in order to ensure that the means of payment it puts into circulation as the exclusively valid monetary token in its sovereign territory, and uses as means for financing its needs, is internationally recognized and valued as real, globally valid abstract wealth: as *world money*. After all, this is by no means yet settled with the resolve of world-trade partners to accept their respective local currencies as representatives of capitalistically produced value and as material for inter-national enrichment in principle, and to treat them as equivalent in their exchange. Rather, it is intended by the agreed-on convertibility of currencies that each particular national money prove itself in the practice of international capitalist business — as a *means* and a valid *result* of business, i.e., as the solid "embodiment" of abstract wealth, which both capitalists and states are ultimately after. A national currency, according to its economic nature, *is* after all nothing more than national credit elevated to a means of payment, with which business is *supposed* to be done successfully and money earned; it is therefore necessary that the currency be successfully used and converted into capital, and on a national scale at that, in order to really furnish the value it is intended to be regarded and accepted as; and this success has to be achieved in the world of international business to have international standing. The national money issued and used by the state as its means of financing requires confirmation in world trade; business activities that fashion an overall positive balance of payments for the nation, i.e., that bring in wealth for the nation from all over the world, have to justify the credit the state takes for itself, guarantees for the business world, and establishes as legal tender. The suitability of its national money as world money and thus also as an effective means of state financing — and vice versa — depends on the business success of internationally active firms added up nationally.[24)]

24 Nations, with their foreign trade, repudiate in practice the economist's ridiculous definition of money as "anything that functions as money." They tangibly refute the notion that money is nothing but a conventional token, i.e., for commodities, which are more easily exchanged for one another with its help, by their greed for money to be earned abroad, money that precisely for that reason must be more than a mere, "conventional," legally ordained means of exchange. What a nation is out to get hold of is the other nation's *wealth*; not a wealth of nice things, but in the abstract form that the conventional monetary token merely points to as to its actual economic content: property's quantified power of command existing as an economic object.

That is why even with today's most sophisticated financial products, gold has not yet seen its last days as the embodiment, *the* material existence of abstract wealth in the flesh. In gold, nations have disposal over abstract wealth in an especially stabile form, unaffected, that is, by the state's arbitrary creation of credit, but of course for the same reason also without any interest payment guarantees.

Capitalist nations, by the way, in their high regard for gold as "substantial" money, retain a certain inkling of the economic nature of money that they otherwise have no interest in knowing about — why should they?! — namely, that in gold, a select product of human labor not only represents, but in practice embodies labor's capitalistic determination of creating property to the degree of its exertion. Admittedly, the precious metal with the high atomic number only "embodies" *this* economic "attribute" because state force determines that property takes precedence over all use, that the use-value of goods takes a back seat to their exchange value as commodities, and that gold should primarily have the social use-value of "embodying" exchange value as such. Gold bars are not to blame for this fetishism of attributing to a thing the "attribute" of

Nowadays, however, nations in fact do not become insolvent when their balances turn out badly, even over a long period, and their money loses value, thus proving to be a questionable representative of global capitalistic wealth. In their greed for money to be acquired abroad, states declare their own and foreign money to be exchangeable, i.e., identical in a certain ratio, and have them also used in this way; in so doing, they *credit each other's currencies*, i.e., attest with *their* credit money to the general credit*worthiness* of the financial means that a foreign government has elevated to the rank of legal tender within its own territory. By this, they allow each other all sorts of liberties for the twofold use of their money: as an inexhaustible instrument for state financing with credit on the one hand, and as world money and means for appropriating the abstract wealth of other nations on the other hand. This has the consequence, however, that a nation from now on has to justify *this credit* with its success in world trade, i.e., with a positive balance on the international transfer of national wealth: in order to maintain *international* credit for *its* credit money, it has to make good on the punctual servicing of this international credit, i.e., more or less undo with success in foreign trade the credit it has created and been able to create thanks to the crediting of its credit.

By virtue of the resolve of the world-trade partners, this constraint is executed by the capitalist credit business. By "determining" appropriate exchange rates between national credit moneys, it subjects them to a continual test as to their relative equality as world money;[25] and through the daily fluctuations, it has long since thoroughly distinguished between the many local moneys that are totally useless internationally and the few real world moneys, coming up with the interesting distinction between "strong" and "weak" currencies for the latter. Accordingly, "stable" moneys are those that, due to their considerable national success in the competition for appropriating world money, enjoy general recognition as a valid "embodiment" of abstract wealth, i.e., are utilized as a "reserve currency" by other nations and as a "store of value" by private money owners; for that reason, they can be readily used as a means of credit without their proliferation undermining

conferring a private power of command on its owner.

25 For more on this topic see the GegenStandpunkt article, "Currency and its value: the competition of nations for the wealth of the world."

their value. A "soft" currency, by contrast, finances unproductive public debt lacking justification by national success in trade; its estimation as an object of international enrichment is of a speculative nature and remains dependent on the credit of better currencies.[26)]

For nations competing to appropriate capitalistic wealth produced all over the world, the possession of a "sound" currency is therefore the crucial *proof* of the success they strive for, and at the same time the *criterion* for their competing *as well as* its crucial *means*. For in "good" money, they possess the most solid speculative claims possible to the future proceeds of the capitalistically commanded and utilized *labor of the entire world*. For that reason, a unique kind of competition to possess or acquire a stable currency rages among the leading world-trade nations.

26 Stability of a currency is thus not the same thing as high valuation, instability not the same as a low exchange rate; not even an upward- or downward-heading rate trend clearly coincides with "strength" or "weakness." What is crucial is whether an extensive and long-term utilization of the currency in question by the international business world, including central banks, establishes such a demand for it that speculative fluctuations in demand are of no consequence — and therefore are not instigated in the first place — or whether the currency is at the mercy of "mere" speculation, to which the responsible state, lacking sound balances, cannot give reliable monetary guidelines, but has to address with costly and, for that reason, questionable and short-lived investment incentives. Whether the exchange rates of a currency, which come about in one way or another, turn out to be (too) high or (too) low is another question, which tends to be answered in conflicting ways depending on the intended use of the currency — exporters calculate differently than do importers, and investors go by where they think speculation is heading.

Once currencies have separated themselves thoroughly enough into "strong" and "weak," the individual items in a nation's balance of payments accounts, though posted according to the same rules everywhere, stand for quite different economic situations. This is especially true of the capital account: in one case, a negative balance can signal a triumphal advance of the national money as a means of business, reserve currency, and object of private investment; in another case, it stands for a "flight of capital" that confronts the state with the necessity of buying up vast amounts of its own worthless credit money with foreign currency it doesn't have. Which case applies is of course only revealed by the result, which is seldom unambiguous and always subject to change.

e) The state competes for its success as a location for capital by means of cheap national labor.

The state, out of concern for the stability of its money, from the outset takes up the stance of international competitiveness towards its economy. It does not calculate with wage labor and capital in its country as nationally limited moneymaking machinery that profits additionally from foreign business opportunities and investors from abroad, but as a mere part: as one component of global capitalism. Its claims to proceeds in world money at its own disposal and national balances that justify its creation of national credit money are anchored in internationalized business life; these claims are to be realized by capitalists from all over the world holding its national money in high regard and using it as means of business and solid embodiment of their property — and just by this turning it into a means of credit, stable in value.

This program of deriving the wealth of the nation from its success on the world market of course runs the risk of failure on the world market. But even in the event of such failure, contemporary states have no intention of retreating from world business, for instance by resorting to a strategy of national survival and assertion in which the sovereign power would assert its authority over social labor and impose a nationally useful labor service[27] in

27 Such an alternative is always part of the repertoire of policies of a class state: in case of genuine national emergency, bourgeois politicians ultimately know of no other "solution" than the forcible mobilization of the people for a national service that admittedly goes well beyond the mere procurement of money, that aims instead — according to the size of a nation and its imperialistic ambitions — at violently correcting the international balance of power, on which globally valid business conditions ultimately really depend. The most consistent, albeit ultimately unsuccessful, advocates of this alternative to go down in history were the fascists, above all the German National Socialists (Nazis): they didn't abolish capitalism, but used non-economic, i.e., military means to overturn a global balance of power under which it was inconceivable that their nation would ever rise (again) using the weapons of capitalist competition and national credit alone. In lieu of "the market," they defined the decisive imperialistic test for their nation to be "the battlefield" and as a corresponding encouragement offered their people, instead of a racism of hard money, the ideology of national ethnic combat virtues that would set everything right again in the world economy, too. This offer, always convincing to

a different way. Instead, nations that only manage to achieve a rather restricted and ambition-crippling share in global wealth with their competitive efforts, like the economic powers that dominate world business, just reaffirm ever anew with remarkable one-sidedness the binding nature of the requirements and the exclusive validity of the criteria of free capitalist competition for their economic policy. They resolutely insist in all their sovereignty on their national wealth being dependent on the competition of capitalists, which they intend to serve *as a national business location*.

Certainly, nations have always been locations for capital in the general sense that capitalist production and circulation always take place under the care of a sovereign authority, as its political economy, on the territory it occupies, with the means available and under the conditions prevailing there — *this* is normal in today's free world and nations don't make a fuss about it. When such a big deal is made out of it, and the nation's fate is considered to hang on its suitability as a location for capital, then it is logically not about this triviality, but about an offensive position of the nation toward foreign countries and its corresponding internal alignment: about its definitive orientation toward the one and only purpose of conquering shares of the world market. States that strictly define themselves as locations for capital in this way demand this success from their domestic industry: it must prove itself as a means for conquering shares of the world market, against other nations and at their expense.[28)] Taken by itself, as merely a somehow count-

ruling or ruled patriots alike, is out of style at the moment simply because these days, control of the global balance of power and the relatively greatest benefit from the world economy coincide in the main for the most important states: the nations that could at all realistically consider revising the imperialist order would have the least to win and rather more to lose.

28 Now that the market economy has won its final victory around the globe, it has become normal for all states do the same thing in this regard; and nowadays nothing else matters to them. Just as normal, though, are therefore the differences between nations resulting from pre-existing conditions and means with which they enter global competition.

Germany, for instance, has a lot to defend in the competition for world-market shares. Previous success in exports has allowed the nation to expand its credit to the point of becoming a major component of international finance, and turned its currency into a globally used financing instrument and store of able component of national business life, an industry is worthless; only through its victories over foreign competition does it contribute to the wealth of the nation. Regardless of whether domestically based firms put the corresponding pressure to succeed on themselves and emerge victorious, or whether already successful global firms set up shop on the national territory, only enterprises with this kind of success count as constituents of the national competitive machinery and can therefore also lay claim to public support; everything else, due to a lack of global competitiveness, is calculated as a burden on the national balances and counted among the items the

value. The inflated national credit and the enormous extent of the use of the German currency as a means of credit now require justification by global economic success that turns the further accumulating debt into real accumulation of capital and thus sees to the continued durability of German world money; all the more so as the ambitious goal of proving the subsumption of the former East Germany worthwhile in world-market competition has led far more to budget deficits than to positive contributions to the national balances from successful business dealings.

There are other nations — such as the so-called "Little Tigers" of East Asia and, in its own way, also the new "Big Tiger," the People's Republic of China — whose entire national capitalism consists in nothing but a few successful world-market businesses that have established themselves in their territory or gotten their start there with plenty of state aid. These states pursue the development ideal of extending their rather spotty successes on the world market to such a degree that a growing business life gradually comes to make capitalistic use of the entire society and thoroughly transforms it. In the meantime at least, they are at least busy defending their domiciled islands of capitalistic accumulation from each other.

Finally, the former East Bloc states — just to mention this special case — have completely submitted to the competition for world-market shares as the new basis for their national economies. But in their urgent petitions for capitalistic development from abroad, they even expressly admit to being incapable on their own of gaining a foothold in this competition, let alone making a successful stand. That is why their transition to a new national basis for business has turned out for the time being to be nothing but a huge demolition project that never goes far enough by the strict standards that foreign lenders unrelentingly insist on: that the entire national economy be reconstructed so as to take part successfully in global competition. At any event, what has been successful national economy needs to “downsize” — as if the economy were on the whole nothing other than a large, capitalistic conglomerate.[29] For only in its world-record winning branches is a modern national economic base of any use to its state as an instrument for seizing bigger and more important shares of world money to be earned internationally, shares that are competitively decisive in the comparison between nations; and only thus is the economy a means for a “strong” currency.

From this ruthlessly instrumental point of view, the nation is inspected and rearranged as a collection of business conditions; with the clear objective of offering companies more favorable conditions, firstly overall and in general, and secondly particularly in regard to the price of labor, than they already establish themselves with their state-certified private power over the labor factor. However, the state program summed up by the keywords

is the destruction of previous national economies that were organized down to the last detail according to the Real Socialist brand of division of labor; the outlook for its replacement by a comprehensive capitalistic production doesn’t look any better than the prospects for development of the so-called “emerging markets.”

So the various nations all see different *“problems”* to cope with when they seek to maintain themselves in a competition over national business locations that has finally become global — but to *“solve”* them they all bet on one and the same means in the end: that the most effective labor is to be had for the cheapest price on their territory.

29 This standpoint is without doubt just as narrow-minded as any previously practiced protectionism. Often enough, it ignores the simple context that the only reason why some branches of business can be unbeatably profitable on a global scale is that alongside them — in a less world-record-like way but also with capitalistically and profitably utilized labor — money is earned, opportunities offered for making money, and credit converted into capital. That is why many a bold plan for trimming down a comprehensive capitalism to those business sectors that operate successfully on a world scale does not automatically become the indisputably prevailing national purpose and policy. Nevertheless, politicians keen on reforming and even “revolutionizing” manage to achieve some definite “slimming down” of their national economies with their “economy measures” — and they see their path to success confirmed in the parallel trends of rising unemployment figures and/or lousy makeshift jobs, and of the most important national stock prices.

"globalization" and "national economic competitiveness" aims at more than just the modern struggle for stable money.

3.

Under the slogan of "globalization," states are currently competing over the handling of a global crisis of capitalistic growth. The fact that they are carrying out this competition as "employment policy" in their own countries says everything there is to say about "employment" and the state's interest in it.

a) Capitalist nations have been lamenting "employment problems" for some time. Even states that count among the leading powers of the world economy suffer from unemployment figures that clearly exceed those that used to be considered the highest to be tolerated, and that show no signs of sinking.

The problem they have with this in the first instance is a budgetary one: instead of regularly handing over the notorious half of their income to the taxman or social insurance system, more and more citizens with little or no income claim rights to support and livelihood that were granted in better times, and were never actually intended to be claimed on a massive scale. This sense of entitlement can certainly always be dealt with easily by social policy, but there still remains the revenue shortfall in public funds. The threats to the stability of national money that arise from this inevitably lead to the much graver, actual problem, i.e., for the national economy: the accumulation of abstract wealth, the course of capitalist business, which the state lives on, leaves something to be desired.

The fact that all the important global economic powers are plagued by such deficiency symptoms is indication enough of a *worldwide crisis* of economic growth: there is altogether less money being made than the business world and states have accumulated in claims to additional abstract wealth and require for their respective account balances — private proprietors for their speculative profits, states for the stability of their currencies. However, policymakers responsible for the economy perceive the "situation" somewhat differently, namely from the outset as *stiffer competition*: They note self-critically that employment, i.e., business, is stagnating or even declining in the territory they are responsible for, while money — not any better but anyway still money — is being earned elsewhere; on markets whose "globalization" should actually predestine them to be a source of income for one's own nation — after all, this is the true and definitive meaning of the catchword "globalization."

b) The solution agreed upon by national business site administrations round the world is remarkably one-sided: the battle over bigger shares of world business for one's own nation is to be fought with cost relief for all profitable business activities in general, and the reduction of the nation's customary price of labor in particular. Shabbier payment of the workforce pushed through by the state — after all, the modern welfare state has itself managed a large part of this sum for a long time anyway — is the method of choice for passing on the consequences of an unsatisfactory course of business to other nations.

With this, the ever-present demand for profitable labor is shortened to one side: lower wages are to make labor profitable — as if capitalistic accounting didn't relate the costs of using labor to its effect on a company's balance sheet; and as if the productivity of paid labor weren't the decisive weapon in the struggle to reduce unit wage costs. Yet according to the crisis management program of those who would reform their national business base, this "aspect" falls entirely within the problem to be solved: the further enhancement of the effectiveness of employed labor is indeed still essential for the competition of capitalists; this — and its consequences for the employment situation — are therefore to be firmly reckoned with, and the state must do everything within its power to promote it for the sake of the world-market shares to be conquered for the nation; but implementing this arch-capitalistic imperative admittedly won't lead to "more jobs" in the foreseeable future; success in conquering world-market *shares* becomes a really relative success when *total* growth is decreasing. More capital investment may yet increase an individual company's profit, but it doesn't pay off for the wealth of the nation, i.e., for profit making as a whole: the strategists of "globalization" start from this assumption when they seek the salvation for their national business base through more business purely by reducing the price of labor, thus admitting that opportunities for profitable investment are altogether meager. The state, in its concern for its money, notes that *further accumulation of capital is unproductive,* i.e., its business world can no longer operate profitably on the whole; and it, as the ultimate source and guarantor of national credit, itself generalizes the business crisis whose effects it notices by restricting credit out of concern for its capitalistic quality. So obviously, the contradiction in the capitalist exploitation of the source of all property — *less and less* labor is supposed to serve an increasingly huge *volume* of claims on growing monetary wealth through ever greater *rates* of exploitation — has (once again) developed into the general predicament of *shrinking national wealth alongside rising claims on the profitability* of the labor still employed. And this is supposed to be undone by cheapening labor, since nothing else works.

c) It is without a doubt an absurd calculation that lowering the national price of labor could manage to resolve a contradiction of capitalistic money accumulation that has blossomed into a crisis. National labor power, which has long since been cheapened anyway, cannot possibly be made so cheap that with the resulting improved profit margins, the volume of nationally earned money would grow again to the desired order of magnitude and eliminate the consequences of the crisis for the continuation of business. Rather, this competitive strategy for passing on the drawbacks of capitalist progress to other national business locations just redoubles in international comparison the practice of capitalists competing for profit: economizing on one's own people while laying claim to those of other nations as a "market" in the banal sense of skimming off purchasing power. In fact, each nation, through its fanaticism of *profit production*, in this way restricts the mass purchasing power the others bet on for *realizing their profits*.

However, this contradiction by no means results in aborting the attempt. The managers of crisis competition between states draw two quite different conclusions: they mustn't discontinue their antiwage policy any time soon, and nobody should entertain "false hopes" that the national situation will improve perceptibly for those affected. So to go with the mass unemployment produced by capitalist employers in the course of their competition for shares of the world market, they organize the general impoverishment of the national workforce, workers still employed as well as those made redundant; and, to go with the prospect of poverty with no alternative, they offer their citizens only the one promise: that this is the only way the nation has a chance in the global competition between national business locations.

Over and above that, they try as election-eligible democrats to encourage their vote-entitled people with some crisis ideology. Only they can't come up with much. In Germany, for instance, the memory of the legendary *Trümmerfrauen*, the women who cleaned up the rubble in the postwar period, doesn't fit well with capital leaving labor fallow on a massive scale with its demands for profitability. "We all have to roll up our sleeves" is for the same reason no rousing slogan. "We have to tighten our belts" surely goes better with a policy that turns more poverty into a means for national competition; the snag is that a people ready to make sacrifices would like to have the national gain and a defeated competitor pointed out — instead, in the European Union countries, they get a warm recommendation for Europe, of all things! Alongside that, but only with all kinds of reservations, there is reference made to immigrants from even more wretched regions of the world, who surely get to feel something of the patriotic sense of justice, but don't exactly make for a spirit of national optimism. This spirit therefore exists for the moment merely in politicians methodically admonishing their people to kindly get it — and in the opposition's complaining in the name of the people that the government is doing nothing to promote it … At least, the reigning advocates of global capitalism cannot be accused of deceiving their citizens with false promises.