

Transitions between Economic Systems

Rick Wolff

The transition out of feudalism to capitalism in Europe, mostly from the 17th to the 19th centuries, took multiple forms. It was uneven as well, happening in different ways at different rates in different places. Marx studied that transition's various dimensions because they offered valuable lessons for the different transition he was interested in: out of capitalism to socialism and communism. One such lesson needs restatement now. Transitional impulses beyond capitalism will also take multiple forms; they already do.

Sometimes feudalism collapsed when serfs fled exploitation on their lords' manors to become forest outlaws (a la Robin Hood) or town-dwelling, self-employed crafts-persons, merchants, or wage-earners (all *non-feudal* relationships). Sometimes, when feudal lords got into debts they could not sustain, their manors dissolved. Sometimes the costs and social effects of warfare among feudal lords destroyed them. Sometimes lords freed their serfs in return for fees: Russian Czars, themselves products of feudalism there, abolished it by government fiat in 1863.

Sometimes, as in France in 1789, long-operating transitional impulses within feudalism culminated in a unified Revolution by mostly serfs and ex-serfs. In transitions achieved by revolution, diverse impulses coalesced into movements no longer focused against this or that lord, but against the entire feudal system. The individual strengths of the constituent impulses and the unified movement they had accomplished were together able to abolish feudalism.

The transition from capitalism to socialism or communism will likely also take multiple forms and display multiple dimensions. Global crises of capitalism as a system -- such as the current one -- expose its weaker links, such as state-funded "recovery programs" that favor huge businesses over everyone else. Criticism can mature quickly from specific policies and institutions to the capitalist economic system.

For example, in the United States, the [United Steelworkers](#) union (USW) agreed last October to collaborate with Spain's [Mondragon](#) organization to promote and develop worker cooperatives as a way to generate jobs. The crisis-driven surge of unemployment across 2009 no doubt helped to bring the USW to that collaboration. Worker cooperatives are often organized in a *non-capitalist* manner. That is, the workers themselves appropriate and distribute the surpluses (or profits) produced by their labor. They become, collectively, their own board of directors. No persons other than those workers perform as directors; the capitalist organization of production thereby disappears.

In another impulse to transition beyond capitalism, students and school employees in California fight severe crisis-driven educational cutbacks. From attacking such policies as inappropriate responses to a capitalist crisis, their activism matures into questioning the desirability of an economic system that so regularly plunges societies into crises. The US population watches the Bush and Obama government-financed rescues of capitalists alongside their failures to help the millions losing jobs and homes; the watching evolves toward entertaining questions about a system that works in such ways. Obama's commitment of billions more on endless wars diverts resources from solving other problems, domestic and foreign. Explicitly anti-capitalist

movements and political parties emerge and grow in Europe; they take power across much of Latin America.

Of course, in the European transition from feudalism to capitalism, what people thought they were doing and what they actually did were not identical. French revolutionaries mostly believed they were instituting "liberty, equality, and brotherhood" against absolutist tyranny.

Marx's and others' insights came later; through them we understood that 1789 marked a transition between different economic systems (alongside its other social consequences).

Today we benefit from having a consciousness of transitions between economic systems. We can grasp how capitalism too, like feudalism, might provoke a transition beyond itself. We can ask whether contemporary movements for social change focused on politics (democracy, equality, freedom, etc.) may be masking or obscuring impulses to transition from capitalist to socialist or communist economic systems. We can consider whether and how the disparate developments undermining, questioning, and challenging capitalism over recent decades -- and especially in this new millennium -- might be unified into a social movement strong enough to push through a transition.

This consciousness of transitions between economic systems returns us to that remarkable straw in the wind, the USW-Mondragon agreement. It represents a groping toward the coordination, combination, and thus unification of two recently rather disconnected social movements. On the one hand, the traditional labor movement struggles over the size of wages and benefits, over aspects of the labor process, over the terms of capital's exploitation of labor. Unions can challenge the quantity of surpluses available for capital to appropriate and distribute to secure its reproduction. On the other hand, Mondragon's existence and history include non-capitalist organizations of production where workers function on both sides of the wage-bargain and non-workers are excluded in principle from occupying a capitalist/employer position. That reality challenges capitalism by presenting workers and consumers with an alternative organization of production that has succeeded and grown over the last half century.

Many limits and obstacles stand between this first tentative agreement to collaborate between a trade union and a non-capitalist production organization and a transition beyond capitalism.

Many other social changes and movements advancing them will be needed to gather the critical mass required to push through a genuine transition. No inevitabilities here: nothing guarantees that this will happen.

However, one force moving in the direction of transition is the consciousness of and hence sensitivity to its potential in all sorts of current shifts and changes. The deepening contradictions and crises of capitalism bring the issue of transition between economic systems forward in people's minds and increasingly onto agendas for social change. The USW-Mondragon agreement shows that there are significant impulses to unify movements around agendas that explicitly include non-capitalist organizations of production. It represents a politically hopeful sign for the New Year.

[Rick Wolff](#) is a Professor Emeritus at the University of Massachusetts in Amherst and also a Visiting Professor at the Graduate Program in International Affairs of the New School University in New York. He is the author of [*New Departures in Marxian Theory*](#) (Routledge, 2006) among many other publications. Check out Rick Wolff's documentary film on the current economic crisis, [*Capitalism Hits the Fan*](#), at www.capitalismhitsthefan.com. Visit Wolff's Web site at www.rdwolff.com, and order a copy of his new book [*Capitalism Hits the Fan: The Global Economic Meltdown and What to Do about It*](#).

URL: mrzine.monthlyreview.org/wolff010110.html

