

CAPITALIST COST-PRICE SQUEEZES WORKERS AND DAMAGES OUR PLANET.

This article is dedicated to Capitalism in the Anthropocene by John Bellamy Foster but it is not a review of his book which would require an entirely different article. This article deals with the distinction between actual costs of production and consumption found in a communist society which prevents a rise carbon emissions and the social fund which reverses them.

Capitalism in the Anthropocene by John Bellamy Foster is encyclopaedic and inspirational. Its breath and depth is well breath-taking, but it is not a book written for worker-intellectuals. One of its many strengths is its expose of the rifts within Marxism half a century ago created by those who disputed Marx and Engels' view that the inter-relationship between nature and society was dialectical. Bellamy also pays tribute to the over-looked ecological pioneers within the Soviet Union itself. *"In a remarkable intellectual development in the closing decade of the Soviet Union, leading Soviet geologists, climatologists, geographers, philosophers, cultural theorists, and others came together to describe the global ecological crisis as a civilizational crisis requiring a whole new ecological civilization, rooted in historical-materialist principles. This viewpoint was immediately taken up by Chinese environmentalists and has been further developed and applied in China today."* (p. 472, Monthly Review Press. Kindle Edition.)

The book stresses the theme that capitalism is the cause of the climate catastrophe and therefore its repair requires the overthrow of capitalism. Bravo. But here lies a certain weakness in the book. Why is the current synthesis between capital and nature so catastrophic. The answer lies not so much in the contradiction elaborated in the book between exchange value and use value, which is quite abstract, as it resides in the concrete contradiction between paid costs of production and actual costs of production.

This is what this article will explore to give a tight and concise explanation why capitalism can never overcome itself in order to save our planet. It should be read in conjunction with an earlier article which deals with the [nature of the social fund](#) and the role it plays in reversing climate change.

Why animals cannot cause a metabolic rift in nature.

Life on our planet embraces the microscopic and the macroscopic - viruses, phage's, bacteria, fungi, plant and animal - forms both terrestrial and aquatic. The microscopic supports macroscopic life ensuring diversity and adaptability. Focusing on animal life, the unwritten law of survival for most is - "eat before you are eaten". Nature is not kind but it is prolific and it gave birth to humanity after billions of years of evolution. And only in one place, around a rift valley lake in Africa where the presence of deep cold water on the equator provided Omega 3 rich fats to grow our brains. Let us be clear, humanity arrived by chance under unique circumstances. We need not have happened. It was not inevitable nor laughingly pre-ordained.

Animals remain submerged in nature. Unless they can adapt to a fluctuating world they die off. Humans emerge from nature by adapting nature, but not before they have themselves acquired sufficient adaptations. Our large brains, our mobile vocal chords lodged high in the throat able to articulate consonants and therefore language, our wonderful hands with opposing thumbs and lack of muscle making them infinitely dextrous, in turn freed up by efficient long limbed bipedal legs and finally our slow framing eyes able to peer deep into nature without which structure and pattern cannot be discerned.

What is not important is which features evolved first and in what order. What is important, is that all had to be present for us to evolve into conscious beings. If only one feature was missing we would have remained a limited specie surviving on the edge of extinction.

Becoming aware of nature was traumatic. Nature is not consistent but full of vagaries. Life was precarious. If the seasons were bountiful human survival improved, if the seasons brought drought, human survival deteriorated. Primitive humans could only explain these variations except by attributing a personality to nature, for why else would nature change so abruptly and vindictively. Thus the first view of nature was an emotional one due to the painful consequences of these variations. And being the victim of nature, humans adopted the stance of all victims, that somehow they were responsible for these inexplicable changes, that something they had done had created the catastrophic cascade.

And so they offered sacrifices including blood sacrifice to show their supplication, to beg forgiveness and to placate the personality(s) that ruled nature. This only ended with the emergence of irrigated agriculture when for the first time humans left a large scale imprint on nature. The domestication of nature had begun. Nature could be changed. So began the long journey, adding up to thousands of years and consuming hundreds of generations, before a science of nature emerged replacing superstition. Through understanding natural laws and processes society could begin to increasingly use nature to change nature.

That change was accelerated by the harnessing of kinetic forces, beginning with steam power, to amplify human labour power manifold. In this way history's first industrial society emerged – capitalism. Crude and clumsy driven by the profit motive it was both productive and destructive. It is worth noting that so confident were the revolutionary capitalists of their power to change the world, they shrugged off god, only to resurrect Him later to ensnare their exploited and increasingly alienated workers.

The paid costs of production versus the unpaid costs of production.

Capitalists only recognise those costs they have to pay for, the ones that cost them cash. These are the costs that form their cost price, their bottom line. At all times they seek to reduce their cost-price. All commodities, all wealth is the product of labour power, both physical and mental, applied to nature which provides both materials and energy. In scientific terms, nature provides the substrate upon which labour power exerts itself.

The amount of labour power required to produce a useful product, everything else being equal, will be proportional to the richness of nature. A thick seam of copper requires less effort to mine, just as coal near the surface requires less effort to extract compared to a deep mine. Conversely should richer seams be mined out then more labour power and time is required to produce the same product in the same quantities. Thus capitalist employers view nature and their workers in the same light, how to minimise the cost of nature and how to minimise the cost of labour. Their aim, to maximise their profits.

The fact that their profits consists of unpaid labour and is therefore a cost to their labourers, and the fact that their abuse of nature is a cost to society, does not concern the capitalist. They are only concerned with the costs they have to pay for individually and immediately which means that in pursuit of profit they necessarily squeeze both nature and their workers. This is the dialectic that binds labour to nature. They only change when they are forced to change. This can happen economically or politically. Economically if

the health of the planet and their workers impacts their profit machine, and politically when the state forces them to act under pressure from society.

Of the two, the former is the weaker force because of their ability to raise the productivity of labour to compensate, so to speak, for the falling 'productivity of nature'. More productive workers can compensate, and more than compensate, for the declining wealth of nature. Bigger diggers, larger tractors, more fertiliser, stronger catalysts, more durable metals and so on. The equation is simple, the degradation or depletion of nature by x, requires an increase in productivity of y, often achievable. Thus those who believe capitalism is self-correcting are sorely mistaken.

But there is a bigger burden on productivity. If rising productivity is needed to compensate for the declining wealth of nature threatening profits, and if by raising productivity more capital is required, then it is clear this acceleration in productivity cannot be shared between production and restoration. The more nature degrades, the less productivity can be spared to its reversal, because more profit is needed to compensate for the increase in the capital needed to improve productivity. Thus the increased "technical composition of capital" dragging on the rate of profit, necessarily diverts resources away from nature less the rise in profits falls further behind the rise in capital. The result, using Marx's words, is that the 'metabolic rift in nature' deepens. This primitive industrial society is capable to killing the planet because it's pulse, it's beating heart, is formed by the rate of profit. This is its irresistible DNA.

The dialectics of nature.

There is no history without nature.

Bellamy and others have restored the rich ecological heritage of Marx and Engels. They have shamed those Marxists who in the mid-part of the 20th century thought they could render Marx more profound or even correct him. For this reason Marxism today is much stronger, has a bigger role to play and has more to say about what needs to be done.

To assume a unity or dichotomy between society and nature is plain stupid. Over the last few centuries dialectical relationship between (labour) and nature has been synthesised through capitalist cost price. As long as society is driven by cost price, by the need to minimise cost price in order to maximise profit, both labour and nature will suffer.

The solution, abolish cost price, abolish the contradiction between paid costs and actual costs by eliminating its source, the separation of the producers from their means of production. As long as these means remain the private property of the exploiters and oppressors, aka the capitalist class, they will be used for private gain to the detriment of society.

And as long as these means remain private, society will be alienated from itself. In a society divided by private production and only re-united through the exchange of the commodities so produced, the connection appears to be one between the commodities themselves rather than between their producers. Marx called this *commodity fetishism*. In such a society competition dominates, fracturing consciousness and rendering it superficial. Sometimes competition blows as a gentle but irresistible force, at other times it rages. It has become the new God, undecipherable, unpredictable, vexatious, to be placated by sacrificing money hoards for new investments.

But competition is not a mysterious force. It emerges only due to changes in production which are carried out discretely and even anonymously by individual corporations. These changes are only felt at the time of exchange, when they alter the terms of exchange, or what is the same thing, the price at which that exchange is executed. Competition is no more than the living ripple in capitalist society prompted by the disorganised decision making process whereby individual groups of capitalists seek advantage over each by continuously recasting production.

Overthrowing capitalism ends this unnecessary and destructive state of affairs for ever. Firstly, the producers are no longer underpaid for their labour thereby ending the distinction between paid and actual costs. Secondly, society is no longer divided by production, but increasingly united by it, as planning progressively replaces the market. These two facts fundamentally alter society's dialectical relationship with nature, because the labourer is free in a double sense, free from exploitation and free to alter society's relationship with nature through workers' control of production. Here then lies the majesty of the dialectic, the simultaneous and harmonious renewal of the labourer and nature due to a fundamental change in the relations of production.

The capitalists are modern day Houdini's seeking to escape the consequence of their actions. They make workers pay, they make society pay and they make nature pay for their abuses. In 2016 the [World Bank](#) reported that: *Air, land, and water pollution caused 9 million premature deaths in 2016, or 16% of all deaths worldwide. About 92% of all pollution-related mortality is seen in low-income and middle-income countries, with the poor, marginalized, and young hardest hit by the health effects of the contamination. The economic burden is immense: in 2019, air pollution alone cost the global economy US\$8.1 trillion—6.1 percent of global GDP.* A later study by the [World Bank](#) added up to 6.4 million additional deaths from inhalable PM_{2.5} particles.

This \$8.1 trillion cost exceeded the annual amount spent on Health Care in 2019, the year before the pandemic hit. But this \$8.1 trillion does not concern the individual capitalist because they do not pay one cent towards its cost. As long as they have enough workers to exploit they are content. The premature and often horrible deaths it causes are of passing interest to them. When payment is made, always insufficient and often limited to wealthier countries, it is the state which takes on the burden through increased health spending and social care spending. Much of which comes from taxes levied on workers themselves in the form of indirect taxes and Social (National) Insurance payments. The rich of course avoid paying taxes diverting their revenues to unpolluted tax havens.

The 2019 cost of \$8.1 trillion approximates the highest estimates of what it will cost to reverse global warming as calculated by McKinsey. “ *The McKinsey report estimated that the annual cost of getting to net zero - when carbon dioxide emissions are completely reduced or offset - will be \$9.2tn*” (in current dollars). The McKinsey report refers to the amount that is needed to be spent on green power, transport, and other mechanical efficiencies. Every researcher agrees that the longer the delay in funding these conversions, the more costly they become due to escalating damage.

But there are other wasted resources. The drive to acquire more private property fuels arms spending. Currently over a trillion dollars is wasted on arms production and on its use according to the Stockholm Institute for Peace. *The installed cost of desalination plants is approximately \$1m for every 1,000 cubic meters per day of installed capacity. Therefore, a large-scale desalination plant serving 300,000 people typically costs in the region of \$100 million.* Let us add in wind and solar power generators costing another \$100 million. Let us assume further, based on recent evidence, that this represents one third of the cost

of desalination and piping it to where it is needed. Thus for \$600 million there is potable water for 300,000 people. This means that if the money spent on arms was not literally thrown into the sea (wasted), but was used instead to turn that sea water ecologically into potable water, sufficient water could be provided for half a billion people each year. Within ten years of investment there will be sufficient surplus water to green the deserts. I use this as an example of how a communist society, now free to make rational decisions, can use the productive potential inherited from capitalism for the common international good. And this is just scratching the surface. Capitalism is full of waste, but as long as that waste is profitable, it just keeps piling up.

Von Mises, Hayek and the Austrian School of economics boasted that capitalism was successful because of price discovery. Their fame is entirely due to the failure of Stalinist planning. Without Stalin, Hayek and gang would be an unnoticed pile of intellectual dust on the side of the highway of history. Hayek was wrong. There is no price discovery in capitalism in the broadest sense. If there was this transparency, many more resources would be spared on environmental repair. The neo cons and NATO would not have been so stupid as to provoke a war in the Ukraine in a world still reeling from the pandemic, baking under Solar 25, causing carbon emissions to explode which will cost additional trillions to undo.

No, a thousand times no, real price discovery requires cost discovery and that cannot take place in a society where part of the actual cost of production is directly obscured in the form of unpaid labour and indirectly obscured in the form of the damage to society and nature. Only when labour is emancipated and in control of production can society begin to consciously and rationally make decisions benefiting all and benefiting our planet. Until then the decisions made will benefit only a tiny minority, the capitalist class, the war-mongers, the monsters.

Are workers different?

But the question may be asked: given that the economy we will have taken over will still be riddled with scarcity, won't workers also behave selfishly? Will they not seek to minimise the social fund needed for planetary renewal so as to maximise their individual consumption. This has to be considered. After all, the social fund is formed by workers voluntarily donating part of their contribution to it. Only the social fund can be the primary source for repairing the planet for such an act requires an immense choreographed and collective effort.

But this will not be the only source. The secondary source will come from accurately costing production and consumption which will include environmental impacts. Thus if a worker orders a car, which cannot be withheld, its cost of production will include the cost of neutralising emissions as well as the emissions generated by driving it. Thus the cost of charging batteries must include the cost of neutralising the emissions produced by generating electricity. Taken together it may be said that the social fund will pay for the removal of carbon dioxide and other polluting gasses from the atmosphere, while the actual cost of production and consumption will prevent any increase in these concentrations. Over time the social fund will bear less of the weight as CO2 levels are normalised.

However, the wrong question has been asked. It is not whether workers will behave selfishly after the revolution or not, because if they fail to shed selfishness, this backward trait, there will be no revolution in the first place. Until and unless workers learn to unite, to act collectively for their class, for society, for the emancipation of the human race, no revolution will be possible. Until workers rise to the historical tasks set them, there will be no revolution. This is what makes the communist revolution different to all

the revolutions in the past, for our the revolution does not seek replace one exploiting class with another, but seeks to abolish all classes by abolishing exploitation.

Workers built this world under the disfiguring command of capital. Freed from the yoke of capital workers can and must rebuild this world. The industrial society that will come into being will be a different society, a wonderous society, one which draws on the lessons learnt from the first industrial society building on the means inherited from it.

The alternative is planetary ruin. The loss of the cradle of life. Humanity has suffered so much pain, loss and sweat over these 10,000 years that it will be a betrayal of all those generations that have come before us, were we to fail to complete the journey and build a caring sharing society in touch with nature.

Conclusion.

It is time to emphasise why capitalism will fail to reverse global warming and why a communist society could prevail.

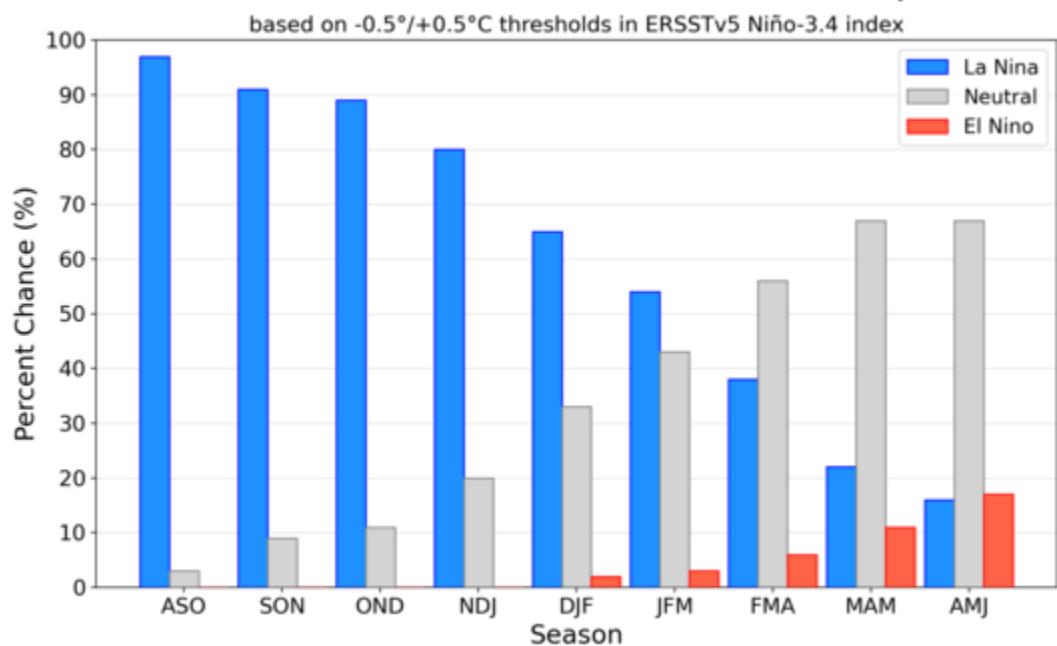
1. The rate of profit dictates under capitalism. In order to increase productivity more capital needs to be deployed raising the composition of capital. In turn the rising composition of capital tends to depress the rate of profit increasing the importance of cost price. For this very reason, productivities cannot be diverted to restore nature without compressing profit margins. In the lead up to the Pandemic, that is up to 2019, the evidence of a falling rate of profit was strong. This was interrupted by the Pandemic with its confluence of Covid Support Funds and interrupted supply. However the downward trend is reasserting itself with a vengeance once more, aggravated by the alterations in supply chains which have added to cost price. This collapse in profitability will soon wipe the ESG smile off the face of capital.
2. Only the social fund in a communist society can resource the extraordinary collective effort needed to reverse global warming and renew our biosphere.
3. Only a society based on objective prices - actual costs of production and consumption - can prevent carbon emissions rising once more.

Today the climate emergency is entering its climatic moment. Solar 25 is roaring and due to peak around 2024-5. Irradiance is rising. This summer saw record temperatures across the Northern Hemisphere. And this occurred despite the ongoing presence of La Nina which has a cooling effect globally. Now the forecast is for La Nina to wane and for El Nino to wax around the middle of 2023. The difference in global air temperature between a cooling La Nina and a warming El Nino could exceed two degrees Celsius. Kiss the 1.5 C goal good bye.

God wont help us. Politics will. This looming catastrophe is way beyond the capacity of capitalism to deal with. In fact the capitalists, those 2 million self-entitled capitalists who think they own this planet, stand in our way. We need to start preparing now, organising now, getting the message out now if we are to avert a disaster.

Study the graph below. Thus far the predictions made by this site based on the best evolving science have proven to be right and compelling. The challenge facing the international class has never been bigger, never been more unavoidable. Unless we act now countless millions could die over the next four years.

Official NOAA CPC ENSO Probabilities (issued Sept. 2022)



Brian Green, 10th October 2022.