

**Klaus Kempter**

## **Against Value(s)**

**Marx, Wertkritik and the Illusions of State, Politics and Law**

### **Vorbemerkung:**

*Der folgende Beitrag geht auf einen Vortrag zurück, der im Dezember 2019 auf der Tagung “Constitution of Values” an der Universität Würzburg gehalten wurde. Der Abschluss des Manuskripts, ergänzt um einen Abschnitt (F) zur Corona-Krise, erfolgte im September 2021.*

*Originalveröffentlichung in:* Isabel Feichtner/Geoff Gordon (eds.), *Constitutions of Value. Law, Governance, and Political Ecology*, Routledge: Milton Park, Abingdon, Oxon/New York 2023, S. 49-67

The starting point of contemporary reflections on “value” and “values” is apparently the widespread sense of a deep crisis of the modern form of socialization, a form which, according to Karl Marx, is based on value and its movement in itself. The following contribution will try to depict this crisis as well as the role that state, politics and law play in it using Marxian concepts, further developed in the not very well-known “Wertkritik” (“critique of value”) by Robert Kurz (1943-2012) and others.[1] *Wertkritik* to me seems the most appropriate of all theoretical approaches to come to terms with today’s state of the world, characterized by three potentially fatal crises: the destruction of nature in times of “Anthropocene”; conflicting imperial claims entailing the danger of a sudden annihilation of life on this earth through nuclear warfare; and the structural dysfunction of the global economy or – to put it more precisely – of global value production that has lasted since the 1970s and shown its face in various symptoms like stock market crashes, excessive private and sovereign indebtedness, extreme and ever-growing inequality, and the accelerating production of economically superfluous populations. These crises demonstrate the dire state of the fabric of modern global society. Of course, in 2021 anybody talking about crises has to also address the coronavirus pandemic, although compared to the aforementioned three systemic crises this one, at least at first glance, appears to be different in that it is quite random, and as a natural event, is not inherent to the process of modern socialization. Yet, this random global crisis of 2020/21 is in many ways more revealing than the structural, systemic crises, about the current state of humankind, especially with regard to mental and psychological constitutions, perceptions of the world, overall worldview, or the metaphysics of modernity. “Wertkritik” addresses these problems at the root, in the coercive constitution of values that drives their reproduction globally. But first: what is *Wertkritik* exactly?

### **A. The Marx of Wertkritik**

*Wertkritik* is a critical theory, developed by former left-wing political activists outside academia, that claims to capture the totality of modern society in the tradition of Marxian thought – “with Marx beyond Marx” and certainly in distinction from Marxism. In doing so, it draws on what it calls the “esoteric Marx”, the Marx that was concealed by Marxism.

Conventional Marxism at its core conceptualized itself as a “materialistic” progressive philosophy of history, based on the Enlightenment and German Idealism, and a “scientific worldview” that asserts the validity of seemingly eternal laws of history.[2] One of these laws derived from the conventional “exoteric” Marx is the thesis that the material, i.e. economic, base of societies determines their respective religious, cultural, ideological, political, legal etc. superstructure; another one is the assertion that history is always driven by the contradiction between forces and relations of production. The third of these ideas would be that, as the Communist Manifesto states, “all history” is the “history of class struggles” of economically determined groups of society which in the end, by the victory of the last oppressed class, the proletariat, results in the establishment of a classless society. This historical metaphysics is rejected by *Wertkritik*, as is the closely related political impulse of traditional Marxism, which concentrates on the exploitation of the proletariat by the bourgeoisie and sees revolutionary expropriation of the capitalist class as the decisive step into the socialist realm of freedom.

Turning away from the traditional Marxism of class struggle, labor movement and philosophy of history *Wertkritik*, following on heterodox neo- and post-Marxist schools of thought like the Critical Theory of Max Horkheimer, Theodor W. Adorno, Walter Benjamin et al. and the *Neue Marx-Lektüre (New Reading of Marx)* by Adorno's students Hans-Georg Backhaus and Helmut Reichelt,[3] emphasizes the revolutionary socio-scientific insights that Marx unfolded in his critique of political economy,[4] the concept of modernity as commodity-producing society as well as the idea of the value of commodities and its movement within itself. The value of commodities that is valorizing itself, always striving for its own increase, is seen as the “automatic subject”[5] of society, constituted through human beings by their daily actions, but at the same time subjecting them totally and making them mere functionaries of an anonymous process that is beyond their control. Marx is the thinker who has made value the central category, the fulcrum not only of his economic critique, but of his entire social analysis, and this is what *Wertkritik*, against conventional Marxism, refers to. Following on from Marx's famous section in the first chapter of *Capital* on the “fetishism of commodities and the secret thereof”, *Wertkritik* speaks of the fetishist constitution of modern society in that humans do not consciously dominate their relationships, needs, etc. Instead, they operate under a veil of mystification that turns their actions and social relations into an uncontrollable and unintelligible movement of things: With respect to producers, Marx states: “their own social action takes the form of the action of objects, which rule the producers instead of being ruled by them.” Modern man therefore has outsourced societal control to the self-valorizing value and thus placed himself under the rule of an automatic process that takes place “behind the backs” of the individuals, without their conscious steering: “We are not aware of this, nevertheless we do it.”[6]

A derivative of this primary form of modern fetishism is the ubiquitous use of the term “value” which has lost its original meaning in the field of political economy and at the same time conquered the moral sphere of society. What used to be known as virtues and ideals now goes by “values”.[7] Therefore democracy, liberty, the rule of law, human rights, but also decent private behavior, family bonds and many more desirable immaterial goods bare traces of their relatedness to the blindly operating automatic subject that, while lacking any moral ideal or virtue, controls economy and society.[8]

## **B. Value as the Automatic Subject of Modern Society**

Outside the Marxian tradition, this unconscious exogenous process, which is not controlled by humans, is not called “value” but “market”. And in political economy from Adam Smith to

Friedrich August von Hayek and beyond, it does not appear as a threatening “automatic subject” but as a quasi-divine “invisible hand” or as an information processor far superior to man, which ensures that scarce resources and goods are optimally distributed and thus a macroeconomic and macrosocial equilibrium prevails.

Since in Marx’s critique of political economy value plays the role both of the central analytical category and – in the form of capital – of the primary societal actor, some characteristics of value in Marx should be mentioned:

1. The value of commodities is not simply attributed by actors on the market, it has a “substance”. This substance is “abstract labor”, i.e. labor which encompasses thousands of very different human activities (work), but whose “concrete” quality is irrelevant to the value-based mode of production. What is relevant is only the extent to which the respective concrete work contributes to the creation of value and surplus value that can be converted into profit.
2. In qualitative terms value is always the same. It consists of mere quantity. Therefore, its different manifestations – the whole multifarious, colorful universe of commodities – can be measured with a single yardstick. This yardstick is money.

*Wertkritik* thus has a clear, substantial concept of “value”, in contrast to academic economics, which up to now speaks of “value” and thus still seems to be shaped by the older tradition of classical economics, but has no idea of a value substance. In contemporary academic economics there are solely subjectively measured quantitative relations.

3. The value of the commodities themselves is not a tangible thing, but an imagined relationship. According to Marx, however, it embodies itself in a tangible thing, its “essence” comes to “appearance” and must necessarily come to appearance, namely in a special commodity, money. One could therefore determine the following identities: money = value = abstract labor.

Consequently, for *Wertkritik* money is not a neutral means of exchange, as it is for mainstream academic economics and the everyday understanding of buyers and sellers, or a means which makes it possible to change commodities from one hand into the other. It is not a mere token – even if it can be represented by such a token and this representation is taken in daily life for the thing itself. Rather, money, itself being a valuable commodity, is the embodiment of value in its self-referential quantitative expansion and thus the god of modern fetishism: the abstract, featureless thing around which everything revolves and which steers all social relations. If, for example, economic science claims that the economy is there to supply people with scarce goods, *Wertkritik* contradicts: The purpose of economic activity is to increase the value of a certain sum of money, M, by using various commodities, C, in the production process (above all the commodity “labor power”) to make more money, M'. The supply of commodities is but a by-product of this movement, M – C – M', not its purpose.

This should be obvious to everyone, but remarkably it is not, not even for the science which deals with the economic process. Marx’s fundamental critique of socialization by value is off topic for economics which anyhow often seems to be a rather hermetically sealed system of thought, based on assumptions far from social reality. Sometimes, however, cracks appear in this mental building – although hardly ever with respect to the fundamental concept of economic activity itself, but for instance in recurring major discussions about the relationship between state and market, without any doubt the classic of the debates on modern economies.

### C. The State and the Market

Market-versus-state debates are usually prompted by phenomena of crisis. They take place in times when the “invisible hand” trembles, when the economic machine stutters. In the 20th century this was the case during the “Great Depression” of the early 1930s, but also during the crisis of the 1970s. Contemporary discussions are essentially the result of the stock market crash of 2008 and the subsequent (post-)crisis period, which has lasted longer than a decade and, based on various indicators (extremely low interest rates, unconventional monetary policy, weakness of investment, deflationary tendencies – at least until the disruption of global commercial chains by coronavirus restrictions in 2020/21 took place –, accumulation of sovereign debt, persistent trade imbalances, divergences between relatively weak “real economic” development on the one hand and high flights on the stock markets on the other), is considered as exceptional and worrying. Without any doubt the economic repercussions of the latest crisis, induced by political reactions to the new coronavirus, will exacerbate those fatal problems, and the dominating position the state seized in 2020/21 at the expense of private actors has already revived the old debate. Be it as it may: The feeling that something fundamental no longer works seems to have been the starting point for the recurring debates about the relationship between the market and the state for almost one hundred years.

What shape does this relationship take from the perspective of Marx’s critique of political economy and of *Wertkritik*? Marx, too, does not simply see cooperation, but a kind of polar tension. For him, the state is the necessary complement to the “modern bourgeois society” (Hegel) based on the pursuit of naked private interests, i.e. the primary socialization through exchange and money relations in pursuit of individual enrichment. The state as the embodiment of the general will is necessary because a good social order, a moral community, is not possible on the basis of anarchic competitive relations between isolated individuals, the modern bourgeois war of all against all.<sup>[9]</sup> Such a sociality would have to remain asocial.

But the polarity between the unleashed market and the regulating state, as it is usually discussed today, is not a fundamental contradiction for Marx and *Wertkritik*, unlike in conventional schools of thinking. In (neo-)classic economics, for instance, the unfettered free market produces the economic equilibrium – the best of all possible worlds – while the state with its regulations and interventions ultimately represents a disruptive factor or at least a permanent cause of potential disturbances. Keynesians and Post-Keynesians on the other hand, the minority faction within academic economics, do not believe a priori in the beneficial work of the “invisible hand”. For them, any lack of regulation holds the constant threat of market failure in itself, whereas the state and (economic) policies open up the chance of sensible management of an otherwise crisis-prone economic process. In this view, the state can help the invisible hand, point it in the right direction and support it. The recent debates about value, as discussed in publications on the topic of value creation versus value extraction, take place within this opposition between the free market and state, political, legal control. Marx and *Wertkritik*, however, see this apparent antithesis as integrated in the overall system of modern economy, in the totality of self-valorizing value.

### D. The State According to *Wertkritik*

But what role do the state and its instruments – politics, law, etc. – play in this dual, polar system of modern, unconscious-fetishistic social control? State theory has always been a weak point of the traditional Marxist theory. Although Marx, after his early critiques of

religion, quickly moved on to a critique of the state[10] and planned a fundamental depiction of the state in the overall system of bourgeois society, he never set out his ideas systematically. Later on social democratic and communist Marxism helped itself by defining the state either as a quasi-neutral agency for the control of society, fought over between the social classes,[11] or as the executive committee of the ruling bourgeoisie. Thus, Marxists basically did not even attempt to conceptualize the state by starting from Marx's critique of political economy, his critical theory of value and his analysis of the value form.[12] The most important exception was the Soviet jurist Evgeny Pashukanis with his "General Theory of Law and Marxism", published in 1924.[13]

For *Wertkritik*, the state is on the one hand, as mentioned, the agency of the general will holding together the diverging forces of bourgeois private interest. On the other hand, however, it is the authority that must ensure, by means of legal regulations and other precautions, that individuals can meet each other at all as owners of commodities – which is their main determination in bourgeois society.[14] Marx – and following him *Wertkritik* – assumes the safeguarding of private property as the actual primary right of bourgeois society, fundamental to political and legal regulation. Property makes man a citizen, i.e. a legal subject, and as such legal – free and equal – subjects, individuals can interact with one another on the market as well as in the state-political sphere.

The tasks of the modern state undoubtedly include guaranteeing the currency and providing the economy with the necessary means of exchange and payment. However, *Wertkritik* is based on Marx's insight that money evolves spontaneously by quasi natural necessity out of the value-shaped exchange relationships of commodities, and that the state, which came into being at the same time, is only a secondary guarantor (secondary not in the chronological-genetic, but in the logical-systematic sense).[15] The idea that political-legal implementation of token money as a measure of value and obligatory means of exchange[16] should be the original basis of the modern market economy, which therefore would ultimately be a creation by the state, fails to recognize not only the historical context of the origin of money, but above all the logic of modern socialization.[17] So value is not constituted by the state or law. But state and law are necessary to implement the rule of value permanently, a rule which in its core follows its own "natural laws", not the commands of politics. The "state theory of money" is, of course, only one, but a highly relevant variant of the misjudgment of the nature of the state in modern society. This misjudgment is the basis or at least one of the fundamental elements of the dominant social thinking of modern times. Everywhere, this thinking is based on the belief of the steering competence of that central modern authority, the state.[18]

From the point of view of *Wertkritik*, which emphasizes the fetishistic character of socialization by commodity and money, the belief in the so-called primacy of politics, or more generally: the belief in the sovereignty of people in the process of their socialization, is one of the central illusions of modernity, a kind of founding myth. It is deeply rooted in the subject thinking of the Enlightenment, which, with "man's release from his self-incurred tutelage" (Kant), the shedding off of feudal ties and religion-based fetishism, believed to have left any "ideological" foreign control behind. With the establishment of the modern state and its subsequent progressive democratization by the proclamation of civil rights and the gradual expansion of the electoral base emerged not only the belief that citizens determined their social affairs in free deliberation, but also the idea that all social affairs could be controlled sovereignly by argumentation based on reason and in accordance with transparent procedures secured by politics, law and administration. With regard to the economy, doubts about the controllability of things arose time and again in periods of deep crisis, but ultimately the

political illusion emerged stronger from these phases. The Great Depression of the 1930s, with its closure of entire branches of production, mass unemployment and social misery, only temporarily plunged the idea of political control into crisis. In the end, there was the new regulatory model of state-centered capitalism[19], which in the “Golden Age” of capitalism[20] between the Second World War and the mid-1970s seemed to provide final proof that economy and society could permanently be controlled and steered in a technocratic manner, with beneficial results for everyone.

*Wertkritik* contradicts the state illusion that can be found in various manifestations in the early British liberal political economy, such as Adam Smith, in the influential German philosophy of state and law, most prominently in Hegel, and above all in Keynesian economics of the mid-20th century. It holds that there are not only the unavoidable and structural economic crises that bear witness to the fact that the economy does not obey any political or social rationality outside or above its own; but also that the usual functioning of the wealth machine related to the production of abstract value is a process that does not follow any “objective” social reason. Since it is about multiplication of money as the expression of abstract wealth and not about material wealth embodied in beneficial goods, the use of material resources – raw materials, energy, labor, etc. – for the production of useless and even harmful commodities, for which the corresponding needs have to be created by means of persuasion (advertising), is the rule. This condition alone speaks against Enlightenment’s liberal image of man as the autonomous subject of his own sociality. Admittedly, these fundamental functional mechanisms of the self-valorizing value, of capital, have become so routinized over the centuries, first through coercion and then through habituation, that they are not only regarded as rational (in a business economic sense, as microeconomic profitability), but even as natural. The fact that this is a modern “second” nature usually is not reflected.

To put it less fundamentally “subject-philosophical” and more strongly politically pragmatic, the relationship between state and market from the outset is one of interrelated systems that constitute modernity as a polar totality. As such, state and market remain dependent on one another throughout the entire history of modernity. This does not imply a one-sided relationship of dependence or derivation in the sense of the Marxist thesis of (economic) base and (state-legal etc.) superstructure. Neither does it mean that the relationship between state and market has always remained the same in modern history. But: there is no autonomy and sovereignty of the state in such a way that it could deliberately determine over a social “subsystem” called “market” or „economy”. [21] To illustrate this by means of a current practical political example: The state remains dependent on mass industrial value production, because via taxation this (surplus) value production finances its existence, its public functions (education, administration, transport infrastructure, police, etc.). It is therefore illusory to assume, as does the recent popular movement against global warming, that the government of a country whose value creation is largely based on automobile production, for example Germany’s, could make a turn towards social rationality and pursue a policy against private transport and the automobile – probably the most important “value” object of the last hundred years and in many respects one of the most disastrous mass commodities the world has ever seen. This government will instead do what seems obvious within the irrational rationality of value: Instead of building cars with internal combustion engines it will promote the production of models that seem to be less ecologically questionable, e.g. automobiles with electric drive which not only depend on exploitation of cheap labor in countries of the Global South where the necessary raw materials – lithium, rare earths – are mined but even, all in all, do not offer any significant reduction in the consumption of fossil energy. The sovereign state and its apparatus depend on the drip of surplus value – as do its citizens, to whom it is committed as a democracy and who depend on their self-valorization in a workplace. The

state as well as the individuals are controlled by the automatic subject and its social natural laws – even if recently, especially in the coronavirus crisis, there are indications that present-day (post-)modern individuals do not (want to) perceive this fundamental connection anymore.[22]

All this does not mean that in this polar-complementary relationship the state is the only dependent, that the relationship is static and does not undergo any historical processes of change, or that political influence in the sense of “common welfare“ – for example against strong economic pressure groups, against “capital“ as embodied in entrepreneurs, shareholders, etc. – would be completely excluded. But it does mean that there are principal limits to the state, politics and law: political control can never question the basis of modern socialization, i.e. the rule of value, and it has never done so in modern times, not even in the so-called “socialist” states governed by communist parties.[23] This is also to say that the state capacity of political steering strongly depends on the respective historical conditions: in times of growing wealth of value, the leeway is greater; in times of crisis it narrows.

## **E. The Fundamental Crisis of Value Production and the Neoliberal Revolution**

The more recent political and economic-theoretical debates about reforming the neoliberal economic model suffer, among other things, from the fact that, contrary to their own claim, they do not sufficiently take this historicity into account. They still feed on the remnants and memories of the heyday of belief in politics in the three post-war decades of prosperity, when high economic growth, Fordist mass production and mass consumption, social democratic welfare policy and economic policy activism went hand in hand. The large and relatively evenly distributed material gains in that period were and are still regarded as a result of the superior theoretical insights of Keynesian economics and its political application. But this constellation has vanished. It has vanished not (at least not mainly) because “capital”, after the revolt of 1968 and the following years, would have deliberately denounced the social democratic post-war consensus, as suggested by, for example, Wolfgang Streeck in his otherwise impressive book “Buying Time”. [24] Its downfall instead came as a result of a new historical situation Robert Kurz would later diagnose in the founding essay of *Wertkritik*, “The Crisis of Exchange Value” (1986)[25]: From the late 1970s on, the “mode of production based on value” has encountered its “internal barrier”. Whereas value is constituted by abstract labor and nothing else, capital, forced by all-round competition, pursues the tendency to eliminate labor from the production process in order to reduce costs. Thereby a fundamental contradiction is built into the capitalist mode of production,[26] which regularly manifests itself in larger and smaller economic crises. Opposing tendencies have, however, repeatedly counteracted the historical tendency to melt away value. The most important of these compensatory mechanisms is the expansion of production, i.e. the drawing of additional labor into the production process, usually through the invention of new products and the opening of new branches of production.[27] The great post-war boom was largely based on mass production and mass consumption of such new labor-intensive commodities, especially automobiles and electrical household appliances. Since the late 1970s, however, due to the microelectronic revolution, these industries have incessantly experienced waves of rationalization, whose job-destroying effects can no longer be offset elsewhere. The electronics-based products that have since conquered the market – computers, programs, smartphones, etc. – and their basic technologies make more jobs superfluous than their production generates. They are the driving forces behind today’s deep economic – and societal – crises.

Whatever the diagnoses of the economic problems of the 1970s were, a new adjustment of the relationship between state and economy gradually emerged after the end of Keynesian regulation, a new paradigm of economic theory and politics, the effect of which increasingly radiated to the entire social thinking, and then also to behavior: so-called neoliberalism, whose various policies are well known and therefore need not be further elaborated. But two of its crisis strategies are not only effective to this day – this applies to all of the neoliberal restructurings –, but are also misjudged in such a way that the discussion about them considerably hinders the recognition of the present economic, political and social situation of the late modern world and should therefore be rethought – the two central political-economic developments of the past four decades: globalization and financialization.

The discussion about globalization revolves around the question of whether this is a quasi-natural, spontaneous process, laid out in the development logic of modernity, or whether the interest and political will of important actors and national and supranational legislative measures and international treaties and agreements based on these are the decisive factor. It is assumed that those measures and agreements reflect the power of more or less personified “capital”, of worldwide acting “elites” who intend to occupy the global territory. Neither idea is wrong, though both fail to take into account that globalization is essentially a crisis strategy: the search for better valorizing conditions is undoubtedly inherent in the valorizing of value, but the impulse has become more urgent in recent decades, not least because the exploitation conditions have deteriorated significantly in the old industrialized countries due to the tendency towards a reduction in the mass of value caused by technology and rationalization described above. The shifting of industries towards low-wage countries, the disassembly and reconstruction of production chains and the exploitation of the most favorable investment terms in each case were and are the tried and tested means of counteracting this trend.[28]

On financialization: The emergence of what is today referred to as finance capitalism dates essentially from the 1980s, following the dismantling of the Bretton Woods agreement in the early 1970s, and is connoted on the one hand by financial market deregulations first in New York and London, and on the other by the “military Keynesianism” policies of Ronald Reagan’s US administration which relied massively on expanding state expenditures based on rising debt. Reagan’s policies – as Yanis Varoufakis puts it – thus switched on an enormous money vacuum cleaner that sucked a large part of the world’s financial surpluses into the USA and made America’s double deficit (in the national budget and in the trade balance) and therefore the global deficit cycle permanent.[29] The most visible outcome of financialization was a tremendous boom on financial markets, a more or less permanent rise in stock market “values” and at the same time relative stagnation of what is now called the “real economy”. After the massive collapse in the valuation of financial stocks in 2007/08, a widespread diagnosis of the crisis held that the new incentives on financial markets had discouraged investment-seeking capital from productive investments in the real economy and redirected it into unproductive sectors – with consequential problems on the labor market and in income and wealth distribution. From the point of view of *Wertkritik*, this is another of the illusions that result from the concepts of infinite growth and of government control so firmly established in the experience of the post-war decades. The rise of the financial sector on the one hand, the reduction of industrial mass production on the other, or – as Mariana Mazzucato puts it:[30] the profits of unproductive value extractors at the expense of value creators, of the “takers” at the expense of the “makers” – seemed to point to an unnatural imbalance, which on the part of the state was intensified, if not deliberately caused by the neoliberal revolution, and which ultimately lead to the disaster of the global financial and economic crisis. The political consequences for the camp of “Keynesian nostalgia”[31] were obvious: strict re-

regulation of the financial sector, containment of “unproductive“ speculation, investment incentives in favor of “real” production, political anti-crisis programs, etc. But is the diagnosis correct?

For *Wertkritik* the above-mentioned interrelations are reversed: Financialization is not a parasite on the healthy body of “real economy”. Quite the contrary: the real economy has not offered sufficient profitable investment opportunities for many years due to the decline in value, with the result that capital is diverted into unproductive investments, causing “capital accumulation without value accumulation”.<sup>[32]</sup> This in turn has a thoroughly beneficial effect on the production of (“real”) value, in that the money created on financial markets, e.g. through home loans, student loans and consumer loans, at least partially finds its way into the productive economy and stimulates production through consumer demand. Former US Treasury Secretary and economic advisor to President Obama, Larry Summers, in 2013 had an inkling of this correlation. Picking up on Alvin Hansen’s theorem from the late 1930s, he spoke of “secular stagnation” and noted that a huge (financial) bubble had produced only modest real GDP growth.<sup>[33]</sup> Without the invention and implementation of financialization, without unproductive “value extractors”, whose mountains of money are for the most part not extracted from productive economy, but represent self-generated “fictitious capital” (Marx), the real economy would have long since come to an end. The same applies to the anti-crisis strategy first implemented by the political authorities after the crash of 2008 and later set for the long term: The low interest rate policy of the central banks, though no longer able to stimulate significant real economic growth, has at least so far succeeded in preventing the wealth machine from coming to a standstill. The (post-)Keynesian progressive demand for a state-led return to the production of value, similar to the Golden Age is, in any case, illusory. The same can be said of the latest crisis surge, the ongoing coronavirus crisis, during which the debt strategy was radicalized. This strategy no longer consists of making cheap money available for businesses but in throwing unprecedented amounts of fiat money via state expenditure into the economy, a policy that amounts to the practical experiment, on a large scale, of putting Modern Monetary Theory, still the minority’s approach in academic economics, into political practice.

## **F. Side Note: The Coronavirus Crisis, the March of Folly and Authoritarian Progressivism**

The political reactions to the so-called coronavirus pandemic at first glance mark a political shift that is not easy to evaluate within the framework of Marxian and value-critical thinking. In the spring of 2020 governments of the main (private as well as state) capitalist countries decided to halt the automatic subject of capital by shutting down huge parts of the value-producing machinery that drives their societies. All of a sudden economic value (or its appearances: money, production output, growth etc.) was no longer the main concern and purpose of these societies, while the corresponding personal liberties of the liberal democratic subjects, the working-consuming monads of modernity, ceased to be of central “value”. Governments not only took on exorbitant debts, but also shut down businesses and thereby risked long-term high unemployment and social misery with all the – financial and other – costs that regularly come with it. Instead of responding in a way *Wertkritik* would normally expect of the political leaders of capitalist states – that is at least safeguarding the running of the economic machinery – suddenly the life and health of the most vulnerable and a call for solidarity became the political slogans of the day, a day that by now has lasted well over one and a half year. So, did this prove radical critics of capitalism and especially *Wertkritik* wrong? That might be. At least the question has to be taken seriously. Some value critics,

however, responded with denial: Instead of acknowledging that governments surprisingly put “health” above economic value, they concentrated their critical energy on a handful of libertarians who favoured the swift reopening of the economy at the expense of the spread of a deadly virus. These value critics deemed the libertarian voices exemplary of the cynical logic of capitalism, and accused them of being morally corrupted, heartless and barbaric. But they never answered the question that should have been most pressing to radical critics of the value-based form of modern society, namely: why are capitalist governments so heavily damaging the capitalist economy on which they are dependent?[34]

Was it because the threat posed by the virus was so unprecedented that there was no other choice? The media and prominent medical scientists announced that message early in spring of 2020 and they stuck to it for the course of the year and into the following one. Right from the start, however, it was obvious for everybody who was not overwhelmed by the massive media coverage that the pandemic was a threat not for the general population but almost exclusively for the very old and for people with severe medical preconditions, groups of the population that according to capitalist logic are unproductive.[35] An adequate political reaction would therefore have been, on the one hand, to try to protect these vulnerable by targeted measures and, on the other hand, to ignore the viral spread through the rest of the population[36] – as it is usually done during waves of flu and flu-like illnesses – instead of fearmongering entire societies into a state of hysteria, hypochondria and obsessive compulsive disorder. The question any (especially, but not only, critical) theory and analyses of contemporary society has to answer is: Why did governments, instead of responding in a rational way – rational in the vernacular sense of securing the mechanism of valorization of value which for better or worse is the very fabric of modern society – like they did during the Asian flu and the Hongkong flu pandemics in 1957/58 and 1968/69 and like their national pandemic plans recommended up to March 2020, decide to take a biopolitical turn and join in on a march of folly?[37] Why did they determine to fight a pathogen causing an influenza-like illness, which is survived by well over 99 percent of the infected[38] and does not cause significant excess mortality in the general population, by partial destruction of the economic foundation of their societies, of social life and the personal liberties they claim to be so proud of?

The response to that question probably has to be found not in the political sphere of power, material interests, or strategy, but in the intellectual and psycho-social constitution of the subjects of late- and post-modern societies. Those subjects seem to believe that the economy is something a powerful state can switch on and off without severe long-term consequences. This obviously also goes for politicians, even the German ones once renowned for preaching about the virtues and reason of the honourable businessman. Although governments of whatever party very efficiently have implemented the neoliberal program of privatization, liberalization of markets, lowering direct and indirect costs of production and dismantling the welfare state at least since the late 1990s – which among other things meant lowering the costs of health care and privatizing the sector at the expense of hospital equipment and caregiving capabilities –, politicians seem to have forgotten not only their mantra of increasing the competitiveness of the economy but also the fact that the health care system and therefore public health in the middle and long run depends on the functioning of the economy and the tax money it provides. Apparently there is a loss of reality by the political elites to be diagnosed.

With regard to the broad population, scare tactics seem to have worked quite well. The media win in times of public excitement and panic, and also politicians, medical experts and public intellectuals have found ways to increase – to borrow Gunther Teubner’s Luhmannian

words[39] – their respective “surplus value” via alarmism. Almost immediately the populace in most Western industrialized countries was in a state of existential fear that is historically known to incite all kinds of irrational beliefs and behaviours.[40]

For *Wertkritik* this post-modern hysteria and irrationality does not come as a surprise. Unlike common theories of modern society and of historical evolution it does not believe that objective rationality and reason increase through modernization. Horkheimer and Adorno already demonstrated the dialectic of Enlightenment and the frenzy of the domination of nature that comes with it, and *Wertkritik* is even more critical of the irrational rationality of Enlightenment than the Frankfurt School.[41] During the ongoing fundamental crisis of modern value-producing society that was diagnosed by Robert Kurz in the 1980s it is expected that there is a growing tendency to lose touch with reality – be it the already crazy reality of capitalist modernity.

Apart from a widespread loss of judgment, the coronavirus folly shows that modern western liberal value subjects seem to be in a state in which most of them are eager to relinquish their liberties and already limited self-governance.[42] In the face of contemporary uncertainties and crises, of fear and pessimism they seem to be craving the safe space of a new tech-supported police and surveillance state, at best a friendly middle-of-the road “social credit” type. The tendency, at least for now, is toward authoritarian progressivism. In the course of perennial state crisis management it remains to be seen how long authoritarian liberals and progressives will be able to set the policies and which sort of state authoritarianism will follow as soon as the societal costs of the excessive, non-evidence-based anti-coronavirus measures will become visible in full.

From the perspective of *Wertkritik* there is not much doubt that authoritarianism and a more state-centred form of capitalism might help, if only in a short-term perspective, in steering through the crises of late modernity by controlling any sort of opposition and mitigating the symptoms of decay, but there is still less doubt that it will not be able to solve the fundamental contradictions of the current state of value production.

## **G. The End of the World or the End of Value?**

All the illusions mentioned above – of the everlasting market economy, producing useful goods for the needs of man, an economy that can be tamed and regulated by the state and be put at the service of man, and even the newest one of a state that is locking down societies obviously assuming to be capable to deal easily with all repercussions – have their origin in the belief in the naturalness and eternity of the modern form of socialization. At best, there can be varieties of capitalism, but nothing completely different. As is it often noted, today it is “easier to imagine the end of the world than the end of capitalism”. [43] But capitalism is not ontology, it is a historical phenomenon with a genesis, an ascent, and an end. The public discussion suffers from the fact that the alienated consciousness of humans seems no longer to be able to free itself from its self-built mental cage. It remains arrested in fetishism. If humanity wants to have a future – this does not seem to be certain – it has to deal with the finiteness of late modern society, with the three fundamental crises that threaten it and which have their common cause in the manner of modern socialization through value.

The first of these crises is the already mentioned fundamental crisis of the devaluation of value by rendering labor redundant, a crisis that is expected to worsen significantly with further digitization and automation (“Industry 4.0”). Its social consequences in the old

industrialized countries are production shutdowns, permanently high and rising unemployment – which in the Eurozone has been exported from the German center to the periphery by means of relative wage cuts –, an increase in poorly paid, precarious service and support jobs, impoverishment of ever larger parts of the population, further polarization of income and wealth, and the resulting political and cultural barbarization already manifested in increasing everyday aggression, right-wing extremism, xenophobia, disintegrating institutions, the spread of zones of anomy, etc.[44] On the peripheries of the world market conditions are already much worse.[45]

The second fundamental crisis caused by the modern mode of production and socialization is on everyone's mind: the market economy has not only reached its inner limit, but has also largely destroyed the outside on which it depends, the natural world, and is progressing inexorably along the path of destruction, because value has to be valorized and capital must reproduce itself in an expanded form. Therefore the earth's raw materials will continue to be exploited and burned and the globe will at the same time increasingly have to serve as a landfill for waste products – with widely known consequences initially for non-human life on the planet. A reversal on this path – despite the wishes of Fridays-for-future demonstrators and despite some mitigating environmental policy measures – is fundamentally out of the question in a society based on value. The modern state, be it democratic or not, must be "market conform" – an insight for which Angela Merkel was wrongly criticized. It need not and indeed cannot be "nature conform" or "earth conform".

The third crisis also emerges from the never-ending dynamism, the steady expansion of value. To the extent that modern value societies are state-organized, the state must not only guarantee the internal conditions of valorization, but, in a globally structured international environment, must also outwardly secure and militarily enforce the interests of value society. Western "wars of world order"[46], which have become more numerous since the end of state socialism, are just as much an expression of this inner compulsion as intensified conventional and nuclear armament. It is unlikely that this enormous destructive potential will be used only for smaller wars – which are already destructive and sacrificial enough. For mankind this is perhaps the most immediate existential danger. Still, the systemic compulsion to external military expansion is not yet as determined as internal devaluation and technical-industrial devastation of the earth. The opportunity for political intervention seems greatest in this field. In view of the increasing irrationality and egocentricity of the actors, it remains questionable, however, whether it will be seized.

According to *Wertkritik*, based on its theoretical prerequisites, which seem to be confirmed by empiricism in various fields, modern socialization on the basis of value has come to its end. That now also those who dissociate themselves from the results of this socialization and take a critical view of them, once again – analogous to actors in the 1930s – intend to save capitalism from itself, shows that thinking in the categories of modernity leads far astray. That the end of modernity holds enormous potential for destruction should not be a motive for saving the automatic subject of value. The task of those who have the survival of mankind in mind and want to prevent the complete devastation of the earth would be to disenchant the fetish and shake off the automatic subject. Socialization on the basis of value and its corresponding fetishistic forms and "values" – money, capital, labor, law, state, politics, democracy, human rights – has not to be reformed, but abolished. It is time for humans to regulate their affairs with consciousness and to deliver on the promise made to them by the Enlightenment: emancipation from external forces, real freedom for individuals, joint control of their common affairs.

## Endnotes

[1] Other protagonists: Roswitha Scholz, Claus Peter Ortlieb, Norbert Trenkle, Ernst Lohoff, Anselm Jappe. See N. Larsen et al. (eds.), *Marxism and the Critique of Value*, 2014. In the same period, Moishe Postone came to some similar conclusions: Postone, *Time, labor, and social domination. A reinterpretation of Marx's critical theory*, 1993.

[2] For this crucial difference between the “exoteric Marx” of orthodox “labour movement Marxism” or “class struggle Marxism,” as he puts it, and the “esoteric Marx” of value form analysis and value critique see the introduction to R. Kurz, *Marx lesen. Die wichtigsten Texte von Karl Marx für das 21. Jahrhundert*, 2001. Cf. K. Kempter, ‘Robert Kurz, die »Wertkritik« und die radikale Gesellschaftstheorie oder: Ist Karl Marx doch noch relevant für die Geschichte?’, in: *WerkstattGeschichte*, No. 72, 2016, 65-76.

[3] H.-G. Backhaus, *Dialektik der Wertform. Untersuchungen zur Marxschen Ökonomiekritik*, 1997; H. Reichelt, *Zur logischen Struktur des Kapitalbegriffs bei Karl Marx*, 1973. See I. Elbe, *Marx im Westen. Die neue Marx-Lektüre in der Bundesrepublik*, 2008.

[4] Developed mainly in the so-called *Grundrisse (Foundations of the Critique of Political Economy. Rough Draft)* from 1857/58, the *Contribution to the Critique of Political Economy*, and the three volumes of *Capital*.

[5] K. Marx, *Das Kapital*, vol. 1 (K. Marx and F. Engels, Werke, vol. 23), first published 1867, 169.

[6] K. Marx, *Capital*, vol. 1, first published 1887, 49, 77.

[7] Carl Schmitt was still very much aware of this link. See Schmitt, *Die Tyrannei der Werte*, 1967.

[8] Adorno speaks of “the substitute philosophy of so-called values” (T. W. Adorno, *Eingriffe. Neun kritische Modelle*, 1963, 119) and of “cultural values” that “echo the language of the exchange of goods” as “abominable philosophical rationalization” (*Gesammelte Werke*, vol. 10.1, 1977, 15). My translation, K.K.

[9] R. Kurz, ‘Es rettet euch kein Leviathan. Thesen zu einer kritischen Staatstheorie’. Erster Teil, in: *Exit! Krise und Kritik der Warengesellschaft* 7/2011, 26.

[10] For example in *On the Jewish Question* and *Critique of Hegel's Philosophy of Right*.

[11] In the end this also applies for the most elaborated and sophisticated heterodox Marxist theories, e.g. theories on class, hegemony and the state by Antonio Gramsci, Louis Althusser or Nicos Poulantzas.

[12] And even Marx himself, in his later remarks on state and politics, as in *The Civil War in France* or *Critique of the Gotha Program*, falls short of his early insights into the nature of the state and into the form-constitution of modern political society.

[13] In: E. Pashukanis, *Selected Writings on Marxism and Law*, London et al. 1980, 37. *Wertkritik's* reception of Pashukanis's concepts presumably took place via the German so-called “Staatsableitungsdebatte” (state derivation debate) of the 1970s.

[14] *Wertkritik's* Marxian approach therefore has much more in common with the legal-constitutive ideas put forward in several contributions to this volume than with most Marxist theories of state and law.

[15] That is a very abbreviated depiction of *Wertkritik's* idea of the genesis of modern money. See Robert Kurz's elaborated version in his last monograph: *Geld ohne Wert. Grundrisse zu einer Transformation der Kritik der politischen Ökonomie*, 2012.

[16] This concept of chartalism was elaborated by Georg Friedrich Knapp: G. F. Knapp, *The State Theory of Money*, 1924 (German orig. 1905).

[17] That also goes for its contemporary variant Modern Monetary Theory, propagated in Germany inter alia by the *Georg Friedrich Knapp Gesellschaft für Politische Ökonomie*.

[18] This applies despite the skepticism of neo-liberalism towards the state's regulating power and the detachment of structural functionalism and social systems theory, which usually play no role in the political

debate. Talcott Parsons' and Niklas Luhmann's theories assume autonomy of the subsystems and are skeptical with regard to steering capabilities for society as a whole. See Gunther Teubner's contribution in this volume: 'The Constitution of Non-Monetary Surplus Values'.

[19] Postone, *Time, labor, and social domination*.

[20] E. Hobsbawm, *The Age of Extremes: A History of the World, 1914-1991*, 1994.

[21] Hence the absurdity of the reformist demand for 'economic democracy'.

[22] See below, the side note on the coronavirus crisis.

[23] R. Kurz, *Der Kollaps der Modernisierung. Vom Zusammenbruch des Kasernensozialismus zur Krise der Weltökonomie*, 1991.

[24] W. Streeck, *Buying Time: The Delayed Crisis of Democratic Capitalism*, 2014.

[25] R. Kurz, 'The Crisis of Exchange Value: Science as Productivity, Productive Labor, and Capitalist Reproduction' [1986], in: Larsen et al., *Marxism and the Critique of Value*, 17.

[26] K. Marx, *Grundrisse der Kritik der Politischen Ökonomie* (Rohentwurf 1857-1858), 1974, 593.

[27] See in this context Nicolai Kondratieff's theory of 'long waves', later adapted by Joseph Schumpeter.

[28] R. Kurz, *Das Weltkapital. Globalisierung und innere Schranken des modernen warenproduzierenden Systems*, Berlin 2005, 85: "The export of capital has essentially become a function of business rationalization." My translation, K.K.

[29] Y. Varoufakis, *The Global Minotaur. America, Europe and the Future of the Global Economy*, 2011.

[30] M. Mazzucato, *The Value of Everything: Making and Taking in the Global Economy*, 2018.

[31] Kurz, *Das Weltkapital*, 411.

[32] E. Lohoff, 'Kapitalakkumulation ohne Wertakkumulation', in: *Krisis. Kritik der Warengesellschaft* 1/2014: <https://www.krisis.org/2014/kapitalakkumulation-ohne-wertakkumulation/> (April 8, 2021).

[33] Larry Summers, 'IMF Fourteenth Annual Research Conference in Honor of Stanley Fischer', Nov. 8, 2013, <http://larrysummers.com/imf-fourteenth-annual-research-conference-in-honor-of-stanley-fischer/> (April 6, 2021).

[34] H. Böttcher and L. Wissen, 'Zwischen Selbstbezüglichkeit und Solidarität? Corona in der Leere des Kapitalismus', in: [exit-online.org](https://www.exit-online.org) (February 2021); E. Lohoff and N. Trenkle (eds.), *Shutdown. Klima, Corona und der notwendige Ausstieg aus dem Kapitalismus*, 2020.

[35] Basically the pandemic up to now (September 2021) has consisted of a worldwide spread of a new respiratory virus which in several countries and regions caused moderately increased mortality, nota bene in countries with or without the unprecedented extreme policy measures, like business and school lockdowns, curfews or mask mandates, imposed against the viral spread.

[36] See, for example, *The Great Barrington Declaration*, October 4, 2020, authored by epidemiologists and public health scientists Sunetra Gupta, Martin Kulldorf and Jay Battacharya, <https://gbdeclaration.org/> (August 15, 2021).

[37] This expression, derived from a once famous book on the irrational behaviour of governments in history, seems to be the adequate label for the coronavirus madness and groupthink of 2020/21: B. Tuchman, *March of Folly. From Troy to Vietnam*, 1984.

[38] J. P. A. Ioannidis, 'Reconciling estimates of global spread and infection fatality rates of COVID-19: An overview of systematic evaluations', in: *European Journal of Clinical Investigation*, March 26, 2021 <https://doi.org/10.1111/eci.13554> (August 15, 2021).

[39] See Teubner's contribution to this volume.

[40] Well-known examples are the fear of witches in early modern times and "La Grande Peur" (the Great Fear) during the French Revolution, but anxiety and fear and the hysteria and terror that are caused by them pervade many historical periods. With respect to the spreading of fear during the coronavirus crisis see retired British Supreme Court justice Lord Jonathan Sumption, interviewed by Freddie Sayers: <https://unherd.com/2021/03/lord-sumption-civil-disobedience-has-begun/> (April 15, 2021).

[41] R. Kurz, *Blutige Vernunft. Essays zur emanzipatorischen Kritik der kapitalistischen Moderne und ihrer westlichen Werte*, 2004.

[42] Of course there are some cultural differences between, historically speaking, more liberal or antiauthoritarian nations like for instance the US, Great Britain and France on the one hand and a conformist society of traditionally loyal subjects like Germany, but they do not seem to be decisive.

[43] M. Fisher, *Capitalist Realism. Is There No Alternative?*, 2009, 1. Fisher was not the first one to use this saying. It is also attributed to Immanuel Wallerstein and Fredric Jameson.

[44] R. Kurz, 'Die Demokratie frisst ihre Kinder – Bemerkungen zum neuen Rechtsradikalismus', in: R. Kurz et al., *Rosemaries Babies – Die Demokratie und ihre Rechtsradikalen*, 1993.

[45] G. Bedszent, *Zusammenbruch der Peripherie. Gescheiterte Staaten als Tummelplatz von Drogenbaronen, Warlords und Weltordnungskriegern*, 2014.

[46] R. Kurz, *Weltordnungskrieg. Das Ende der Souveränität und die Wandlungen des Imperialismus im Zeitalter der Globalisierung*, 2003; R. Kurz, 'World Power and World Money: The Economic Function of the U.S. Military Machine within Global Capitalism and the Background of the New Financial Crisis', in: Larsen et al., *Marxism and the Critique of Value*, 187.