

## Where is *Theorie Communiste* heading?

Following the publication of my paper *Communisisation as the Way out of the Crisis*<sup>1</sup> in issue 131 of *Echanges et Mouvement*, RS wrote a severe criticism of it entitled *It is in the present tense that communisation must be talk of*, published on the DPDF<sup>2</sup> website, where my own article had been posted without my knowing. In order to understand where this critique came from, I read *The Present Moment*<sup>3</sup>. The reader will find below my notes on reading *The Present Moment* (including some answers to *It is in the present tense...*), followed by a partial answer to RS critiques.

### *I – The present moment* – reading notes

After a long dialectical detour, a political anti-climax: that was my feeling after several hours of a difficult reading. The text is constructed as a series of non-hierarchized paragraphs, so that it is all the more difficult to sort out what is essential and what is secondary. An earnest critique of the text would imply that I do so, but the reader will understand that I shrink from undertaking that heavy task.

### **The new centrality of the wage demands; their illegitimacy**

This is the title of the first paragraph. “Illegitimacy” is of course here for the surprise effect. In its daily struggles, the proletariat demands something (not always, but most of the time). Why should it be legitimate or not? From what I understand, the explanation involves several levels, even if it is not clear how they relate exactly. First, the times are over when demands stimulated capital accumulation. Then they were legitimate, like a sting that pushes the capitalists forward and forces them to find all sorts of means to recover what they just gave up to the workers. Here, it is capital that says what is legitimate and what is not. Second, demands helped forge a working class identity, which has disappeared today. Demands are not considered for what they say (higher wages, less work,

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<sup>1</sup> Available in French <http://hicsalta-communisisation.com>. A more developed version of the same idées is to be found at <http://www.hicsalta-communisisation.com/autres-textes/activite-de-crise-et-communisisation-5?aid=193&pid=179&sa=1>

<sup>2</sup> <http://dndf.org>

<sup>3</sup> <http://sic.communisation.net/en/the-present-moment?DokuWiki=4106f4449a0dabac26b562da9a3a7b13>

etc.), but for the class belonging effect produced by the protest movement. While the old workers' movement has disappeared, demands have not, it seems to me, no more than the feeling of class belonging which inevitably expresses itself in any movement carrying demands. Third, the reproduction of the labour force would be doubly disconnected from capital's valorization. Let's see what that third point means.

The first disconnection comes from the fact that the capital's reproduction is unified at a global level, whereas the reproduction of the labour force is fragmented in three geographical zones which are in turn subdivided into infinitely smaller fragments of the same nature. Here, the unity of capital reproduction is posited as a static and absolute given. True, the reproduction of capital as a whole find its unity at a global level, but this doesn't rule out internal differences. Unity only exists as a collection of individual capitals which are differentiated (especially by their organic composition) in hierarchical relationships that prevent any complete alignment of the rate of profit into one single worldwide rate of profit.

On the contrary, what is known as globalization consisted in building transnational oligopolies from national oligopolies (often through privatizations). The world was unified for those big multinationals, which blocked the general alignment to their advantage. They rely on a large mass of subcontractors that do not participate in the same alignment of the rate of profit. The system is erected like a pyramid and changes constantly, but the domination of the large oligopolies is never challenged by small capitalist start-ups coming in and growing big (except in certain high-tech sectors). Thus, the total mass of surplus value does *not* tend to be equally distributed among all companies as a single rate of profit. The future of China, with its international ambitions, will be fascinating to follow from that point of view. Since the alignment of the rate of profit is blocked by the large multinationals to their benefit, the worldwide capital is only unified in a relative sense. And the reproduction of the labour force, with its international and local differentiations, reflects that unity made of differences.

The second disconnection is related to the separation introduced by credit between wage and consumption. The proletariat's consumption, it is argued, is paid for, not by wages but by loans. "Household debt is the prime source of demand" (before the crisis). TC adopts this proposition by Aglietta and Berrebi without discussing it, as if it were valid for the entire world proletariat. For this is what concerns us: :

the *proletariat's* debt level when wages are pushed down to offset the tendency of the rate of profit to fall, forcing it to live on borrowed money. TC is well aware that Aglietta and Berrebi's formula covers more than just the proletariat, and thus raises the issue of the middle class. But TC insists on its idea of a necessary compensation of falling wages by borrowing and cites the subprimes as an example. This stems from its theory of crises. The reader will find an annex on US household debt.

Turning to household debt, a first distinction should be drawn between consumer credit and mortgage loans. The former increases consumption but only concerns a small portion of total household debt (about 30%). Consumer credit is prevalent mainly in five countries: US, Canada, Japan, Great Britain and Germany, which concentrate 65% of the world's total household consumer credit. It's not hard to see that the vast majority of the world's proletarians have practically no access to consumer credit.

Looking more closely at US household debt (see annex), one can see, as might be expected, that proletarians turn more seldom to credit, and for smaller amounts, than higher income brackets. Debt is of course present at all income levels, and rose (at least until 2007) even in lower income brackets. But figures show that the middle class holds the bulk of consumer loans, in terms of both number of loans and their amount. These considerations do not exclude the more frequent excessive debt in the poorest social categories, but but this mainly means that wages fell to a level too low compared to the living standard that is considered as normal for US proletarians, a level that TC's famous restructuration has not yet attacked hard enough. Those living standards have to be lowered by the crisis. As Sergio Marchione, Fiat/Chrysler CEO, put it, US workers have to shift from a "culture of entitlements" to a "culture of poverty". He was speaking to the world capitalist élite on Lake Como. Another speaker explained that Americans "will have to lower their living standards after years of rising living standards paid by cheap foreign credit".

Real-estate mortgages only increase households demand for new housing. Loans taken out for existing homes therefore have to be subtracted from the total mass of mortgage loans. As an indication, 5.7 million existing homes were sold in 2007, compared with 0.8 million new homes.

The high rate of borrowing by households in the US and some other countries thus plays a role in stimulating final demand. But far more of the debt that “pulls demand” is found in the middle classes than in the proletariat. The middle classes can be defined by the fact that their income includes a portion of the surplus value generally available, either in the form of high salaries, bonuses, tax breaks, etc., or directly as unearned income (interest, dividends) or profits from small or sole-proprietor businesses. Generally speaking, the borrowing capacity of households depends directly on their income – which determines their ability to repay loans, meaning that wealthy people can borrow more than poor people. Moreover, the significant decline in interest rates encouraged households to borrow up to their maximum borrowing capacity, and even beyond in subprime cases. However, the subprime crisis confirmed the limit imposed on household borrowing by their ability to repay far more than it showed proletarian consumption plunging into debt. Subprime loans in fact grew mainly over the last 3-4 years before the crisis broke out in 2008. This short lapse of time sufficed to show that the loans exceeded the ability of the people who took them out to repay them, and the accumulation of bad debt did the rest. This was a normal market adjustment. The fact that the crisis was born there (if that proves to be true) is understandable, since that was the weak link in total US debt.

in \$bn	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total mortgages	1000	2200	2850	3900	2900	3100	2950	2400	1400
of which subprimes	150	210	250	360	680	1000	1000	500	100

Source: US Dpt of Treasury

In conclusion, it is clear that if we are considering the world proletariat, credit is not the main base of its consumption. TC take an economic fact concerning wage earners (in general) in a handful of industrialized countries and established it as a general concept because it fits into their new theory of crises (see below). It is true that the proletariat in the US and some other countries is indebted. It may also be true that the financial crisis started with delinquent loans among the poorest (this is normal). But asserting in a general way that the proletariat’s consumption is disconnected from wages is not true, either simply or doubly.

### **The crisis**

It is probable that, despite its weaknesses, the notion of a double disconnection is intended to guide the reader towards the crisis as a “crisis of the wage relation”.

Everything rests on an apparently innocuous formula: “consumption must be stimulated despite inadequate growth in wages”.

I already gave my opinion on TC’s attempt to reconcile the two main branches of crisis theory<sup>4</sup>, and only return to it in order to illustrate the fuzzy kind of reasoning used by TC in conveying ideas whose sole purpose is to consolidate a larger theoretical system held together through approximations. I have in mind the passage in which TC presents “the secret” of its synthesis. I quote:

The secret resides in the fact that too much of the revenue is transformed into constant capital, resulting in massive augmentation of production, while the rate of profit tendentially falls as does the consumption power of society. Workers’ consumption is blocked in relation to increased production, because too much revenue has been transformed into constant capital (at the end of the day the production of means of production can only be in the service of consumption); too much revenue has been transformed into constant capital because the aim of capitalist production is the maximum production of surplus value and the reduction of workers’ consumption.

Here we are told that the accumulation of constant capital is “in the service of consumption”. And immediately after that, the message is that the aim of capitalist production is profit and the lowering of workers’ consumption. Does this mean that economic textbooks are right when they represent the productive system as a huge machine starting from raw materials and ending in the worker’s plate? And why does TC talk first about consumption *in general* and then about *workers’* consumption, which is of course going down? The first option raises the issue of middle and capitalist class consumption, i.e. unproductive consumption. The second option, on the workers’ consumption which is blocked, posits the cause of the crisis as situated in the capital/labour relationship, in the form of insufficient workers' consumption. It doesn’t really matter. The apparently innocent and common-sense parenthesis on production at the service of consumption is there to get the reader to surreptitiously accept the fable of fordism that paid workers high wages so they could buy what they produced, and thus to create the possibility of accepting working class under-consumption as an explanation of the crisis, having just stated that under-consumption is over-accumulation. And immediately after that, back to marxist orthodoxy: capitalists only think of profit and thus seek to lower wages and consumption. All of this forms a vague system in which no bolts are tightened lest the machine seize up. TC says yes, then no, leaving the reader to make up his own mind.

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<sup>4</sup> Crisis theory/theories, a discussion: <http://www.hicsalta-communisation.com/category/discussion>

In truth, it is the workers' consumption which, if it is minimal, is "in the service" of valorisation by purveying workers for the production process. When TC says that production is "in the service" of consumption, the aim is to introduce the idea that, in view of the enormous mass of means of production accumulated relative to living labour, reduced to a minimal share – but which is to absorb the output of production – a glut in the market is inevitable. TC tries to transform a problem of proportionality between sectors I and II into a general explanation of the crisis. The reduction of living labour to a minimal share explains the crisis, but in the sense that this mass of living labour is unable to produce enough surplus value relative to the over-accumulation of constant capital, and not in the sense that it is unable to consume enough. On the contrary, the less it consumes, the higher the rate of profit will be. The issue of under-consumption doesn't arise at the level of the proletariat, but at that of the middle class which receives ever smaller crumbs of surplus value due to the falling rate of profit.

One must thus affirm without hesitation that the aim of capitalist production is profit and the conversion of that profit into new capital. Production for production: this doesn't raise any theoretical problem.

**End of the old formalisation of limits: the end of radical democratism, the end of activism**

**The current limits: we are nothing outside of the wage relation: the police, discipline**

I group these two paragraphs together to underline the role that the notion of limit plays in TC's thinking. It seems that the limit of a phase of struggle at a given moment is crucial in defining this phase. I confess that I am not sure of understanding this way of proceeding. The proletariat pushes its offensive up to a certain point (workers councils for instance), and not beyond that point (calling into question the production unit, for example). The content of its actions is determined by how far the contradiction between the classes has developed at a given time. By definition, it cannot go beyond that degree of development of the contradiction. TC defines this degree as a limit that the revolutionary movement comes up against. This implies that, beyond that limit, the contradiction will appear in a more favorable light for a communist resolution of the crisis. Why not, even though this seems like "working from the end  backwards" (*marcher à la finnalité*), as I was strongly criticised for doing in "It is in the present tense..."

Because in fact, the “cycles of struggles” move from limit to limit without visible end.

Also, the notion of limit is connected to the notion of potential, which defines precisely what lies beyond the limit, and that the proletariat cannot reach since it comes up against a limit. In other words, whereas TC insists so strongly on the fact that the proletariat cannot be defined by anything other than what it is here and now, the notion of limit introduces in its definition something that the proletariat has to do but cannot. What the proletariat cannot do is the communist revolution. But why would it, since the revolution is not on the agenda given the state of the contradiction here and now, which defines the limit of the period under consideration? In other words, by using the notion of limit, TC re-introduces the notion of a revolutionary nature of the proletariat – which cannot realise itself given the circumstances.

This is not a problem if one is careful not to lapse into metaphysics, where an essence would be embodied in successive historical forms. To avoid that, it suffices to consider the relative shares of invariance and change in the historical evolution of the contradiction between proletariat and capital. The invariance lies in the fact that, from the outset and up to the revolution, the proletariat is radically separated from the means of production. This is the heart of all forms of subordination of labour under capital and the basis of the specific form of labour exploitation in the CMP: the extraction of surplus value. It is on that basis that, from the origin, the proletariat conceives the revolution as communism, complete liberation of man, abolition of property, even including intuitions on the overcoming of classes and work. The change lies in the successive forms of subordination and exploitation. Each phase in communist theory strove to master this problem of periodization in order to understand the specificity of the era and the reasons for thinking that, this time, the revolution is possible. In *Hic Salta* 98<sup>5</sup>, I tried to outline the history of this invariance and this change on the basis of a history of crises. The text is certainly open to criticism, but does not allow one to say that I cannot “historicize the production of the revolution and of communism otherwise than in a broad teleological and transhistorical movement”, as RS affirms in *It is in the present tense...* RS criticized *Hic Salta* enough for him to forget it only when it suits him.

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<sup>5</sup> *Eléments sur la périodisation du MPC: Histoire du capital, histoire des crises, histoire du communisme*, <http://www.hicsalta-communisation.com>

Not only is all this not a problem, but it is even essential for the very functioning of the communist theory, as a constant back and forth between analysis of the existing contradiction and the definition of communism as overcoming the contradiction when it explodes in the crisis.<sup>6</sup> The communist theory analyses the contradiction between the classes and its evolution not as sociology, economy or history, which describe what is, but as part of the real movement aiming at overcoming what is. In each period, depending on specific historical conditions, the communist theory *assigns* to the real movement, here and now, the necessity and the possibility of that overcoming. When TC criticizes me for writing communism-fiction-, I only put down in black and white a proposal to make that explicit, a problem that, precisely, the notion of limit aims at disposing of.

Maybe this insistence on not saying what communism could be explains TC's frequent flirt with dialectical formulas which recall the young Marx. Every time we find, as in *It is in the present tense...*, phrases defining the proletariat as abolition of value on the basis of value, abolition of property on the basis of property, etc., we should probably consider that value, property, are somehow already abolished in the very existence and definition of the proletariat. If the proposition is that the proletariat is the subject who will abolish value on the basis of value, etc., then I agree with this formula, which clearly indicates that everything has yet to be done. I even wondered if the mistake was not on my side, if "abolition" could not be understood as "abolishing factor". But I don't think so when I read that "communism is the contradictory movement of the CMP". Such a phrase is either a Hegelian side-step to avoid looking further for a definition of communism and trusting instead the abstract dialectics of the *Aufhebung*, or it designates the workers' movement taking form within capital as the *seed of communism*, in which case, once again, there is no point in looking further. These points of view are not mutually exclusive. Actually, class struggle is the contradictory movement of capital, and communism, its overcoming.

### **Exploitation: a game that abolishes its rule**

"Exploitation is that odd game that always has the same winner (...); at the same time, and for the same reason, it is a game in contradiction with its own rule and a *tension towards the abolition* of that rule." (my emphasis)

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<sup>6</sup> I have sustained this proposition, according to which the communist theory is fundamentally the form of conscience adequate to the social situation created by the crisis of capital, for many years. As my other texts, it sufficiently comes against RS affirmation that 'the production of a description of communism becomes [for me] the *central* point of the theoretical production (*It is in the present tense...*, my emphasis). Not central, thus, but a necessary step.

I understand that the result of exploitation is capital accumulation and its rising organic composition, which render living labour increasingly inessential. This is not new. Nor is the notion of tension, which appears earlier in the text as tension towards communism. It looks like we've gone back 35 years, when phrases like 'need of communism' or "negative communism" were applied to riots and other radical manifestations of the proletariat. What could this tension represent? Is it the necessity of communism felt by struggling proletarians? Is it the possibility of communism? We are confronted with a relatively literary term whose exact meaning is left to the reader.

This paragraph also has a passage on productive labour which is quite justified. It is true that the contradiction between the classes appears first at the level of productive labour, and that the reproduction of the proletariat as a whole depends on the mass of surplus value produced by productive labour. One may regret that, having announced a "strict definition" of the concept, TC then sticks to such a level of generality that it evades the issue. The fact that a quote by Marx says it is not automatically enough. True, the question of productive labour is a difficult one. Since it is also true that one can go on without solving it, it's better not to talk about a "strict definition" and admit one's inability to define more precisely which fractions of the proletariat are the core of the contradiction between classes.

Whatever productive labour is exactly, this is how things unfold according to TC:

In the blockade of the production of value and surplus value, people who live at the core of the conflict of capital as contradiction-in-process do not only 'blockade'. In their singular action, which is nothing special, but rather only their commitment to the struggle, the contradiction which structures the whole of society as class struggle returns to itself, to its own condition. It is in that way that the class belonging can fall apart and that, in its struggle, the proletariat begins its self-transformation (it depends on all sorts of circumstances and it does not happen every time productive workers are on strike).

I see three stages in the above development:

- Productive workers stop producing surplus value
- This challenges the whole system (including the unproductive sector)
- And this can cause class belonging to fall apart.

The first two points are evident. I confess that I do not see how they lead to the third other than in the sense that if everything stops, revolution becomes possible.

Maybe another paragraph gives an explanation: “Revolution may start in the factories, but will not remain there; it will begin its own task when workers leave the factories in order to abolish them”. On the one hand, is it in leaving factories that class belonging falls apart? I would agree, but that is a clear situation of rupture. We are no longer in a struggle “which is nothing special”. On the other hand, I remark that productive labour is identified with industrial labour (factories), which is highly debatable.

Let’s consider for a moment the falling apart of class belonging. What does that mean? As for *tension*, we have a literary term that calls for interpretation<sup>7</sup>. Falling apart evokes erosion, a progressive process. Contrary to what I just said, we would be in an evolutionary rather than revolutionary process. This process “begins the self-transformation” in a struggle “which is nothing special but just [the proletarians’] commitment to the struggle”. So, an ordinary struggle, that may do no more than simply make demands. But if so, is this not a modified form of daily struggles growing into revolutionary struggles? That would be a major shift in TC’s position. This “growing into” (*transcroissance*) is now called “falling apart” of class belonging, but there is “nothing special” to explain the emergence of the possibility of communism. Well, actually yes, there is, for all this “depends on all sorts of circumstances”, about which we are told nothing but can only think that they create that possibility. So there is something special about those struggles that is determined by these circumstances. Once more, an innocuous parenthesis casts doubt on the meaning of what it only intended to comment on. Some readers may find this highly dialectical. Not I. Are we talking about revolutionary rupture or progressive transformation (*transcroissance*)? That’s left up to the reader to decide. In the first case (rupture), he will opt for “leaving the factories” and “all sorts of circumstances”. In the second case (transformation), he will stick to “ordinary struggles”. But I wouldn’t be surprised to learn that this alternative is stupid and that, thanks to TC dialectics, progressive transformation *is* rupture, or vice versa.

Last remark: “in its struggle, the proletariat begins its self-transformation”. Is this so different from the “work of proletarians on themselves” to which RS reduces the notion of crisis activity, in *It is in the present tense...*, seriously distorting what I have always said? I have always stressed the twofold content of crisis activity: creation of interindividual, interactive relationships among proletarians *and* seizure (*prise de possession*) of elements of capitalist property for the needs

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<sup>7</sup> The term used in the French version is even more literary, literally cleaving (*delitement*)

of the struggle. Moreover, TC took over the second notion under the term seizing (*emparment*). But, to suit its purposes, , TC prefers to forget this second aspect of my analysis (obvious even in just glancing at the table of contents of chapter VII of my book *Le travail et son dépassement*). TC does this regularly: they distort the opponent's theory enough to offer the right angle of attack for the argument they want to make<sup>8</sup>. I am willing to admit that difficulties in understanding may stem from vagueness in the writing of the text being criticized, but this is way beyond the excuse of good faith. I will return to this later.

Finally, I understand that the reason for using "falling apart", "tension" and "self-transformation" is to say rupture without rupture, to leave unsettled what constitutes the possibility for the proletariat of making the revolution. True, there is the conformation  the contradiction between the classes, but it functions as an objective mechanism, so much so that TC tells us that “as capital, the revolution, too, is an objective process”. Such an affirmation is clearly untenable, as the rest of the text will prove amply. But when the reasoning reaches this point, TC finds an objective process useful in masking the rupture / continuity problem between capital and communism. TC is so fearful of talking about anything other than the real, concret here-and-now proletariat that they don't dare leave the most immediate scope of capital-labour exchange. It is from there, and nowhere else, that the possibility of the revolution must absolutely emerge for the proletariat. Revolution thus becomes an objective process. But further on in the text, when giving the theory its status, the revolution becomes a highly subjective process, with “swerve activities”, inevitably bringing to mind the crisis activity so severely criticized in *It is in the present tense...*

### **The swerve: definition, examples**

The present moment is characterized by the fact that there are “*swerves* inside the class struggle between on the one hand the calling into question by the proletariat of its own existence as a class in its contradiction with capital and on the other the reproduction of capital which is implied by the very fact of being a class”.

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The comrades of TPTG are confronted to the same kind of mistreatment, against which they protest *The Ivory Tower of Theory: A Critique of Theorie Communiste and "The Glass Floor"*, <http://libcom.org/library/ivory-tower-theory-critique-theorie-communiste-glass-floor>

In the examples which follow, the formula is repeated *ad nauseam* and tacked onto struggles where there are in fact fractions that seem more advanced in the class contradiction than others which consider frankly their struggle as taking place within the system. So far, nothing that justifies making a swerve. Where the swerve comes in, and where I become puzzled, is when I am told that the advanced fraction calls into question its own existence as a class.

What is this calling into question?

The revolutionary dynamic of the cycle of struggles which consists in the proletariat's production of its own existence as a class in capital, thus calling itself into question as a class (it no longer has any self-relation), appears in the majority of current struggles;

If I understand the above passage correctly, we have:

1. The proletariat struggles
2. It produce its own class existence (it affirms itself, it says I am here, you cannot ignore me)
3. But this can only mean demanding that the capitalists invest and hire (no self-management, for instance)
4. Hence (?) no self-relationship of the class, which can only exist “in capital”
5. Hence (??) the class calls itself into question.

In this outline, point 4 seems erroneous to me. I don't understand how a struggle, even limited and moderate, would not include a self-relationship of the proletariat. On the contrary. In any struggle against capital, the first content of the struggle is for the proletariat to assert itself and its presence in capitalist society. At the start, any struggle is an affirmation of the class against capital and hence a self-relationship (be it as a union action or a riot). It is only then that the question arises of what this affirmation develops. The forms of struggles that I grouped together under the term of anti-work show that the affirmation has to convert itself into a negation, show that it is impossible to develop/transform the affirmation of the class into a hegemonic situation of wage labour against capital. But the process has to go through a self-relationship. This seems to me inescapable.

Consequently, point 5 would also be wrong. Actually, one looks in vain for the calling into question, for what it means exactly. What does calling into question mean? Does it mean that workers, who exist “in capital”, submit to the logic of

capital accumulation and accept defeat after defeat without protest? Even if that were the case, would it mean that the class is called into question in the sense that it makes or tends to make it disappear? Do we have to look further and say that, in the defeat of its demands, the proletariat adopts as its own the logic of the accumulation and of the rising organic composition in an attempt to nonetheless reproduce itself? That by doing so it adopts as its own the inessentialisation of work inherent to the movement of capital, and that this is its calling into question of its existence as a class. This would amount to establishing a strict identity between proletariat and variable capital. A formula such as “self-recognition [of the proletariat] as a category of the CMP” (see below) to describe the crucial moment of the revolution seems to go in that direction. Calling into question its existence as a class would in this case mean that the proletariat disappears into capital. In that schema, the proletariat becomes a pure function of capital. It is capital, and as such calls itself into question just as capital does when it inessentializes living labour. But here, the calling into question is only, for the proletariat, to place itself actively on the asymptotic curve of impossible elimination. The calling into question can only be a prospect, but never effective. At best, it is a “prefiguration”.

If this interpretation is correct, one understands that TC’s schema works only if it goes directly from “struggle” to “existence in capital” without going through a self-relationship in the struggle. At the very beginning of the text, one can similarly read: “proletarians only find in capital, *i.e. in their relation to themselves...*”. The notion of a self-relationship is eliminated from the start. Actually, this shortcut eliminates even the possibility of a swerve because the possibility of breaking with that logic only exists in that moment of the self-relationship *for demands and for negotiation*. And the necessity of that rupture derives simply from the fact that capital has nothing to give, that there is no longer any sharing of productivity gains.

Then TC introduce the “swerve activity”. It is difficult not to make the connection with the crisis activity that I see in the proletariat’s insurrections. And it is actually the same process in which the proletariat, faced with the failure of the exchange of labour against capital, is forced to build a self-relationship (inter-individual relationships) and to seize parts of the capitalist property (struggle against capital). I reserve “crisis activity” for insurrections of a certain size<sup>9</sup>. For

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<sup>9</sup> I never tried to be more specific on this size. This problem will have to be considered in the larger framework of research on a potential threshold effect: is there a threshold, defined by the

the smaller, more isolated cases, I usually use the term anti-work. To me there is no substantial difference between most swerves taken as examples in TC's text and the anti-work of my texts, all the more so as I recently suggested replacing the term *anti-work* with *anti-proletarian*.<sup>10</sup> May I quote myself:

The changing class relationship within the last thirty years must be understood against the background of capital's furious struggle against the falling rate of profit. The headlong flight into credit is one aspect of this. Outsourcing is another. It is one of a whole series of offensives to lower the value of an already significantly inessential labor force. This movement is not prompted by whim or cupidity on the part of the capitalists. It is the condition for reproduction of the social relationship, i.e. between capital *and the proletariat*. The content of at least some of the struggles against the capitalist offensive show that the way out of the crisis is not through a better balance in the exploitation of labor, that there is no possibility for "sharing the benefits of productivity". Underneath, those struggles imply the necessity of doing away with both classes simultaneously. In the 60s and 70s, this issue appeared on a limited scale in the struggles by assembly-line workers in Fordized industry. Today, a comparable process is experienced by the entire labour force (one illustration is in the changes affecting office work). And that is true for all aspects of the proletariat's life, not just in the "work" component of the proletariat's reproduction, but also, by the attack on the value of the labor force as well (limits on relative surplus value lead to reduction of the subsistence basket), in every aspect of life (housing, transportation, schools, unemployment, etc.). In a way, it could be said that what was considered anti-work in the proletariat's struggle will become *anti-proletariat*.

Let's return to the "calling into question of its own existence as a class". Another example is the 2005 French riots. "The rioters reveal and *attack* the situation of the proletariat at the moment: globally precarised labour power" (my emphasis). If the rioters reveal the proletariat situation and precariousness, it is precisely because they have a self-relationship to assert their situation in the society, to claim "we are here". But where did they *attack* the proletariat situation? They contested it, they criticized it, OK. But fighting against the police and destructions do not attack the proletariat situation. They express it, they show its unbearable nature. The lack of demands proves that there is no solution within the CMP. All this is part of the current situation of the proletariat. It doesn't attack it in the sense that, in the riots, there is no beginning of an overcoming of the classes and their contradiction. Riots are an intense moment of the self-relationship of the proletariat in its opposition to capital. They include a high degree of individualisation and seize elements of capitalist property. As such they show the possibility of an overcoming. But they don't attack the situation of the proletariat. As long as the first measures of communisation are not taken, the existence of the class is not put into question.

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number of proletarians, by the mass of capital seized up by the insurrection, by the geographic area, by the resources controlled, below which the insurrection cannot become communisation?

<sup>10</sup> *Crisis activity and Communisation*, § II. Available on <http://www.hicsalta-communisation.com>

This being said, it seems that TC and I are not so far apart in the understanding of these moments of struggle. What I call anti-work (anti-proletariat), they call swerve. What I call possibility of communisation, they call (is it possible to understand it that way?) the calling into question of the proletariat as a class. It is nonetheless more than likely that TC will develop a whole series of arguments to prove that I don't understand anything and that I belong to the "old cycle of struggles". No problem: I don't wish to discuss with them. The reader will understand why later.

Nevertheless, here is a difference: in my understanding, the crisis activity belongs to a large insurrection (even if its dimension remains imprecise). It indicates revolutionary phases in the history of the proletariat. TC's swerve concerns more daily struggles. "From struggles for demands to revolution there can only be a rupture, but this rupture is not a miracle... This rupture is *prefigured* in the multiplication of *swerves*..."

The multiplication of swerves in no miracle, true. Nor is it a rupture since it only prefigures it. We find the same ambiguity already noted earlier on the question of the rupture. Finally, the only rupture that will occur would be with the revolution,

"in situations in which its existence [of the proletariat] as a class will be the situation which it will have to confront in the reproduction of capital. We must not be mistaken as to the content of this 'recognition'. Recognising ourselves as a class will not be a 'return to ourselves' but a total extroversion as *self-recognition as a category of the capitalist mode of production*. What we are as a class is only our immediate relation to capital. This 'recognition' will in fact consist in a practical cognition, in conflict, not of the self for itself, but of capital."

How should we understand that? Is "return to ourselves" equivalent to a self-relationship? If so, does that mean that the proletariat will make the revolution without a self-relationship? Is that the meaning of "total extroversion"? If so, does that mean that the final calling into question of the proletariat as a class takes place as a transfer of all subjectivity of the proletariat into capital (self-recognition as a category of the capitalist mode of production). I don't think so. But what will the "category of capital" do in the revolution? There is no irony in my questions. I only try to understand. And I give up, considering that the dialectics of the reciprocal presupposition is getting out of control.

TC's texts frequently mention the crisis of capital, but don't make use of it. TC accuses me of making of the crisis a demiurgic element. Does that mean that I lend an objective character to capital crises? If that is the case, yes, I do. The crisis

stems from the tendential fall in the rate of profit which is – agreed – a consequence of class struggle. But when the crisis explodes, it derives from what the classes are and do due to their position and definition in the exploitation relationship, from what they cannot help to be and to do. On this basis, when the crisis reaches a certain degree of intensity, the proletariat rises up “subjectively” (self-relationship) and tries to overcome the contradiction between the classes where it was “objectively” blocked. Fundamentally, it is the exchange of labour that is blocked. Nothing demiurgic in that: the two poles of the exchange are too far apart for the exchange to be possible. The discussion isn't negotiated at a table, but takes place on the ground, through daily struggles. In the string of daily struggles, the accumulation of failures causes the proletariat to rise up, to make a sort of *big swerve*. This question of passing from daily struggles to the uprising is legitimate, and I am ready to admit that I did not consider it sufficiently. For the problem that has focused all my attention has been to know in what way the insurrection is different from daily struggles and include a possibility of overcoming the CMP, possibility which according to me doesn't exist elsewhere.

“The “freezing of the accumulation” is not a prerequisite to the revolution, but the revolutionary action itself” (*It is in the present tense...*). Maybe, but where does this revolutionary action come from? From the accumulation of swerves? It seems that it is the case: the proletariat abolishes the classes by taking “measures in the course of a crisis which *becomes* revolutionary, and as such *becomes* freezing of the accumulation”. (*It is in the present tense...* RS emphasis). How does this process take place, how can measures of communisation be taken if the “total extroversion” transforms the proletariat into a pure category of the CMP? If recognising oneself as a (revolutionary) class means recognising capital?

We always come back to the same problem: TC is so afraid of introducing in its system anything that isn't “pure” class struggle of the reciprocal presupposition that they forget that the proletariat's insurrections have, throughout the class's history, been moments in which the reciprocal presupposition *is in crisis*. That's where the rupture lies. And in those insurrections, if one wants to stick to TC orthodoxy, the proletariat acts strictly as a class: as the class that is radically separated from the means of production and reproduction, which is the fundamental principle of its subordination to capital and of its exploitation. In no way does the insurrection posit the proletariat outside of the CMP. True, it posits it outside of the exchange of labour against capital, since this exchange is momentarily suspended. But pretending that my point of view amounts to saying

that the insurgents have already ceased to be proletarians is a groundless and tendentious critique! In my book *Le Travail et son Dépassement* (chapter VII), I endeavour to show that the proletariat's crisis activity joins together inextricably both the attack against capital and the forming of a social relationship among proletarians; and I insist on the fact that this crisis activity, in the first insurrectional moment, does not go beyond the contradictions of the CMP. I haven't changed my mind on that.

### **Our wager**

This paragraph includes an interesting hierchization of the theory.

On the one hand, the swerve activity is *theory in a broad sense* "i.e. practical, class struggle reflecting on itself". I understand that it is the immediate consciousness of the proletarians involved in swerve activities. I say "immediate" in the sense that it is the form of consciousness that they necessarily have to have, as in any other form of human activity. On the other hand, there is *theory in a narrow sense*. It is a form of consciousness which is not immediate, whose task is "to give theoretical existence to the communist overcoming in the clearest way possible".

The relation between the two levels is complex. On the one hand, "the existence [of theory in a narrow sense] is inherent and indispensable to the very existence of practice and theory in a broad sense". How can something be inherent and indispensable at the same time? If theory (narrow sense) is inherent in practice, how could the latter dispense with it? Is the redundancy there to reassure TC on the status and the very right of theory (narrow sense) to exist? On the other hand, theory in a narrow sense "has no role". In that case, "to give a theoretical existence to the communist overcoming" is useless. Having no role, the theory must remain modest. It has no certainties, accepts being "subjected" to and "reworked" by theory in a broad sense. But then: "theory has become an *objective* determination of the activities of the swerve" (TC's emphasis). Are we talking of theory in a broad sense? In that case, the proposition is nothing but self-evident: swerve activities have, as any other activity, an immediate consciousness. And here, it can only be the immediate consciousness of the confrontation with capital. Are we talking of theory in the narrow sense? It is possible, since the sentence goes on "we are leaving the endless reflexive come-and-go between 'theory' and 'practice'." Theory here designates a form that exists in the separation as does, in an assumed way, theory in a narrow sense. So what? The most probable solution

is that, once again, we are confronted with a blurred way of thinking, asking the reader not to understand but to adhere.

But we learn now that theory<sup>11</sup>, which is “abstracted into intellectual formalisation” is “critical in regard to the immediacy of the struggles”. What “we produce as theory in its most formal [narrow, I suppose]sense... is far from being the massive immediate consciousness of this experience [of the proletariat], it is the abstraction and critique of this experience”. Thus theory in a narrow sense has a role after all? Yes, but not interventionist: “in the era that is beginning, spotting and promoting the activities of the swerve, being part of it where we are involved as individuals... means that it is the critical relation that changes”. Change relative to what? Relative to the “exteriority” where interventionist militants place themselves. Theory in a narrow sense is not critical “*vis-à-vis* the class struggle and immediate experience, but in this immediate experience” (TC emphasis). For struggles now have a “theorising character”. It is “their self-critical seizure of themselves”. TC apparently refers to the numerous struggles which include factions and debates (this isn’t particularly new). But merely by calling these factions and debates “swerve”, it is possible to understand that struggles “produce within themselves an internal distance [which is] the communising perspective as concrete, objective theoretical articulation of the theorising character of struggles and of theory in its restricted sense”.

Should we simply understand that a practical movement that is anti-work, that refuses negotiation and demands, raises the issue of communism? If it were only that, I would agree, though this is nothing new. It has been debated for forty years. But actually it is surely more than that, for we have to deduce from the theorising nature of the struggles that they pose *themselves* the question of communism, which doesn’t seem to me to be true. All this is a pompous way of saying that, as struggles become more radical, their immediate consciousness becomes more radical too. This radicalisation of practice and its immediate consciousness is called “self-critique” of struggles, which enables the introduction of the term critique, which until then was employed for theory in a narrow sense, but merely to reflect the fact that a struggle, when it becomes more radical, includes trials and tendencies that inevitably discuss and call into question the previous forms and principles of the struggle. And as they are self-critical, struggles are also called

<sup>11</sup> Or even the class itself? In the French version of the text, I understood that it is “the *necessarily theoretical determination* of existence and practice of the proletariat” which is abstracted into a theoretical, intellectual formalisation. But in the English version, it is clearly the *class* itself that is abstracted etc.

theorising, another pompous way of talking whose function is to justify the hierarchical and interventionist relationship that theory in a narrow sense is going to establish with theory in a broad sense (meaning struggles, which are theorising only in a broad sense). Thanks to these subtle shifts in the meaning of words, theory in a narrow sense finds itself faced with a movement of struggles apparently sharing the same nature – thereby miraculously eliminating the problem of intervention (though correctly analysed above).

Hence, with the development of radical struggles, theory in a narrow sense sees a field of activity opening, i.e., to call it by its name, that of intervention: the dissemination of theory in a narrow sense “becomes a crucial practical activity”. It is thus confirmed that theory (narrow sense) plays a role. If not, why disseminate it? But this requires militants, “partisans of communisation”. They will emerge from struggles that are more and more theorising. The junction will be all the easier in that – as we learn now – theory in the narrow sense is going to be more common. At the last minute, theory in a narrow sense comes down from its tower to get closer to the struggles and especially to “do a lot of work around the affirmation of a revolutionary theory, around its dissemination, around the constitution of more or less stable nuclei on this base, around its activities”.

Lot of work, dissemination groups, stable nuclei (only more or less, be reassured), the terms seem clear: after modestly claiming, so as not to frighten the theoreticians in a broad sense, that it plays no role, theory in a narrow sense announces itself as a party chief.

## **II - It is in the present tense that communisation must be talked of**

TC has thus taken a turn that is clearly political, maybe even sectarian (“taking the plunge” into the ‘teceist paradigm’ has become a necessity). This may explain the violence of the attack on *Communisation as the way out of the crisis*, a text I published in *Echanges et Mouvement*. Moreover, apart from this little text, RS seems determined to demolish everything I wrote over the years, as if the mere existence of another point of view on communisation were a problem for TC. The continuously repeated assertion that there is no theoretical salvation but in the single question, “how a class strictly acting as a class etc...”, tends to confirm this. For this single question there is of course only one answer.

## A reading of “*Work and its overcoming*” by RS

In *It is in the present tense...*, RS devotes 24 lines to a critique of my book *Le Travail et son Dépassement* (Work and its overcoming – *Travail...* in the text below). He starts by mimicking Marx and denouncing the “metaphysical subtleties” which are apparently hidden in my text on communisation for *Echanges et Mouvement*. Like commodities, my text seems simple, but it is a trap. For lurking behind these few pages is *Travail...*, the source of all kinds of errors that I try to get across to *Echanges'* readers without them noticing. Happily, RS is there to thwart the plan. A series of falsehoods, distortions, and misplaced ironical remarks follows, which mainly show the brutality and the bad faith of the attack, which thus takes on a *political* tone. Some comrades close to TC have warmly approved my approach to communisation. TC has to put them back on the straight and narrow path by demonizing me.

A first remark is that it is untrue to assert that knowledge of *Travail...* (written from 1976 to 1993) is required to fully understand *Communisation as the way out of the crisis*. There is of course continuity in my successive texts (and changes, too), but the *Echange et Mouvement* text suffices in itself. The detour through *Travail...* probably seemed to RS a good opportunity to disqualify everything I ever wrote.

As for the critique of *Travail...*, let's read:

**Line 3:** “the starting point of the “critique of work” is nature considered abstractly”. NO. The starting point is work itself, as it is forced on us like an inevitable fate and as it is analysed by the authors I used (P. 13 ff). In particular by Marx, who equates work with generic activity in his *Manuscripts of 1844* (see below). These texts raise the issue of the origin (of man's apparition in nature). When discussing them, I repeatedly say that this method of returning to the origin is just an analytical device to isolate the concept of work, but that for me as for the authors I comment and criticize, the starting point is always the current situation of wage labour at the time of writing. I thus show that Marx and Engels' vision of the origin expressed their points of view (there were several of them) on work in their time. And I stress that the same goes for me. This being said, returning to the issue of the origin probably wasn't absolutely necessary. After all, Marcuse, whom I also analysed and criticised in *Travail...* didn't do so in his text<sup>12</sup>,

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<sup>12</sup> H. Marcuse, "On the Philosophical Foundation of the Concept of Labor in Economics," *Telos*, 16 (Summer 1973): 9-37

fundamental in my opinion in understanding work. The reason I didn't proceed in the same way is probably that I had a score to settle with the *Manuscripts of 1844*, and also because the detour by the origin is an easy way of addressing the issue of the *natural* existence of the subject. What does RS mean when he criticises me for considering nature *abstractly*? Because I consider it "outside of any social relationship"? That's true. If nature is defined as the set of laws that govern it, and if man is part of nature and thus subject to those laws, how can he be free and self-produced? Such is in abridged form the issue running through the first part of *Travail*...

Moreover, I never said that nature is "something to be humanized", as RS immediately claims I say. It was Marx who wrote that in the *Manuscripts* and *that was what I objected to*. What I constantly stressed in the book is that the *relationship to nature* needs to be humanized. It is this relationship that I follow as closely as possible throughout the chapters. Thus p. 43, I write that according to Marx, "man's objectivation is identical to the humanization of nature where man will be able to "contemplate himself" (Marx)... This approach is problematic". A large part of chapter II is devoted to the discussion of this problematic idea of humanization of nature. And in the conclusion to chapter III, I write that "work is the contradictory activity by which man creates a nature conforming to his subjectivity, i.e. a nature to which he can relate in a way that he himself presupposes. This *humanization of the relationship to nature* implies the appropriation/transformation of natural objects... As the relationship to nature implies the production of a surplus, the fundamental manifestation of man's subjectivity in his work is *his exploitation*".

Thus, right from the start, the "critical" reading of my book begins with two falsehoods.

**Line 6:** "man is subject only by taking himself as his object". This is an undeniable generality. But then:

**Lines 7-8:** "our subject must momentarily lose himself in the transformation of the nature outside". NO. That is not what I say in *Travail*... One can see this simply by looking at the table of contents for chapters III and IV. "Work, man's loss of himself?" is the first sub-title of chapter III, called "Work". And there I talk about work, a specific activity, and not about the subject, and I put it as a question to indicate that there is a problem and that there will be a solution. And

the solution is that the subject is never anything other than the classes and their contradictory relationship (chapter IV). And the subject is never lost. He self-produces as history (chapters V and VI). Thus it is untrue to present my problematic as a theory of alienation.

**Line 10** : “as the drill runs on electricity, all this runs on *finality*”. Satisfied of his pleasant phrase, RS misses a real problem, namely the production of meaning by communist theory. I indicated above that this is a constant with TC, who uses the notion of limit to get rid of the matter.

It is true that, in *Travail...*, I insist a lot on the fact that the succession of the modes of production has a meaning. The problem may not be as crucial as it seemed to me at the time, but it is an inescapable problem of communist theory that the overcoming of the contradictions it analyses must be addressed, and thus given meaning. Moreover, if it is a general problem of communist theory whatever its form, it is even more that of the theory of communisation, since the production of meaning cannot rest on a worker’s movement which itself, through its affirmation, bears a seed or prefiguration of the overcoming of the contradiction of the classes. Lastly, the question of meaning was more pregnant in the period of isolation and glaciation during which I worked on *Travail...* This is probably what led me to overestimate the importance of the question of meaning. For example: “work can only realize its human meaning by producing a surplus which gives its basis to property. The human meaning of work in relation to nature thus realizes itself in a social relationship between classes...” (p. 85-86). This is actually a useless complication. The passage, as others, could easily be rewritten without invoking the meaning of the categories that are used: work necessarily produces a surplus, which implies non-work and property, which imply classes. In his abhorrence of metaphysical subtleties, RS reads too fast and overreacts to the problematic of meaning which in reality is a useless addition to a movement of thought that does *not run on finality*, as one can see in the first part of the book.

By inference from the question of the relation between capitalism and communism, the quest for meaning reproduces itself when considering the succession of modes of production throughout history. I think it is no accident that value appeared in history, or that it developed into capital. These developments are included from the start in the questions answered by these social forms. And the questions concern the exploitation of labour. Exploitation is not an option that

a society can either choose or not. Exploitation is given with work, from the very start, even in societies that seem to have no class divisions, for the role played by non-work imposes extracting a proportion of production for it. From then on, the development of productivity is inescapable, taking successive forms that resolve each of the momentary limits blocking the previous form. Value and capital are the necessary outcome of this process. The function of exploitation as the driver of history is an important point, which is underestimated in *Travail*...

**Line 11:** “Capital doesn’t leave any part of the “external nature” outside of itself”. FALSE. Not only did I not write this, but all the problematic that I developed in the first part of the book rests on the affirmation of the *opposite*: whatever happens, nature stays natural, planes don’t eliminate gravity. “The appropriation/transformation of objects don’t abolish the laws of nature... It is not nature, but the relationship to nature which is humanized by the subject’s activity” (p. 61). On this basis, what capital accomplishes is not the inclusion of all of nature in the social relationship, but the *wholly social* presupposition of the relation to nature, whatever the field covered. With capital “all the conditions of people’s relation to nature are a result of their social activity, i.e. of the activity that takes place in the relationship between classes, i.e. of *exploitation*” (p. 105). These “subtleties” are understandable by any attentive reader. But RS is too preoccupied by the strawman he is making for the needs of his cause to pay attention.

**Line 15:** Generic being: “Where things get complicated, writes RS, is when (sic) man has to be preserved as a *generic being*...”. The heavy ironic tone is used here to convince the reader that I adopted the problematic of the generic being straight from the *Manuscripts of 1844*. As for the term generic being, I don’t use it, although RS suggests that I do. I find it simpler to use the term subjectivity when talking about the subject. Concerning the problematic of the *Manuscripts*: RS forgets to tell the reader that I criticize it in depth (as mentioned above), and that I solve a problem to which Marx, in the *Manuscripts*, proposes a solution that is marked by the nascent programmatism of his time, a solution that is not satisfactory from the viewpoint of communisation. The problem concerns the objectification of the subject – thus immediately the definition of the subject as well.

How does Marx define the objectification of the subject?

“It is just in his work upon the objective world, therefore, that man really proves himself to be a *species-being*. This production is his active species-life. Through this production, nature appears as *his* work and his reality [this what I disagree with]. The object of labor is, therefore, the *objectification of man’s species-life*: for he duplicates himself not only, as in consciousness, intellectually, but also actively, in reality, and therefore he sees himself in a world that he has created” .<sup>13</sup> My critique of this point of view concludes that “if the objectification process has nature as its only content, then the world that man creates for himself is only an accumulation of means of labour. The man, then, who sees himself in his world is just the worker”. ( p. 47).

Contrasting with this programmatic vision of subjectivity (genericity in the *Manuscripts* vocabulary), chapter III develops an analysis that concludes as follows: “the true objectification of the subject is thus the social relationship that forms around the surplus produced, which is the subjective social manifestation of work as such. The world in which man can see himself is not simply nature transformed by his activity. It is rather society, which includes the relation to this transformed nature et socializes it as the joint object of property and labour” (p. 68).

**Line 21:** thus, when RS writes, with tact as always, “thank you boss... who allows me to remain a generic being”, he presents me as a class collaborator (thank you, boss!) and someone who tries to confirm Marx’s problematic: the worker is the generic being. On the first point: the insult almost equals “order reigns in Etival” sent to other comrades in a dispute over the preparation of an international meeting that took place in that locality. It consolidates the strawman that RS needs. On the second point: words like failure to understand, distortion or offhandedness are understatements. Have RS and TC become blind and deaf by the jump they made into the “teceist paradigm”?

The way RS misreads *Travail*...disqualifies the rest of his critique. I have answered some points above, but won’t go further into *It is in the present tense*... At the end of *The Present Moment*, TC call for much healthy controversy in order to spread the concept of communisation. However, in view of the way TC treat the texts they disagree with, controversy with them becomes a funny little game that the same side always wins.

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<sup>13</sup> (Economic and Philisophic Manuscripts of 1844, translation Martin Mulligan, available on <http://www.marxists.org/archive/marx/works/1844/manuscripts/>)

I will come back later to particular aspects of the critiques brought against me by RS, depending on my own theoretical work schedule. For the time being, I am not interested in playing the righter of texts or in answering accusations that are all too often fanciful. I can only understand TC's ill will towards me as a way to exclude me from the communisation problematic so as to consolidate the political field envisioned at the end of *The Present Moment* covering a kind of copyright of the concept. By now the reader has understood that I will go on talking about communisation in the past tense (for the notion now has a small history), in the future tense (since this is what it is all about) and, it is hoped, in the present tense.

B.A.  
October 2010

## Annex: U.S. Household Debt

### A/ Consumer credit

Every third year, the Federal Reserve publishes a survey of the consumers' financial situation<sup>14</sup>. The data published are presented according to family income level, divided into five quintiles. The first quintile comprises the 20% of families at the bottom of the income scale, while the fifth comprises the wealthiest families. The three middle quintiles concern progressively higher family incomes.

<b>Average income of families by income quintiles (\$000)</b>		
	1998	2007
1st quintile	10.1	12.3
2nd quintile	25.7	28.3
3rd° quintile	43.3	47.3
4th quintile	69.1	76.6
5th quintile*	115 - 354	116 - 398
*Fed figures by deciles. Data here show the value of 9th and 10th deciles..		

<sup>14</sup> *Changes in US Family Finances from 2004 to 2007 : Evidence from the Survey of Consumer Finances*, Federal Reserve Bulletin, Feb. 2009.

This distribution of households by quintiles is used amongst others to study family indebtedness. While not claiming that this distribution defines social classes, we can admit with a lot of approximation that the two quintiles at the bottom (the 40% of households earning the lowest income) represent the proletariat and that the next two represent the middle class (a vast amalgamation of various situations). On this basis, it can be seen that, in 2007 (98 data in brackets):

35% (32% in 98) of ‘proletarian’ families with loans of some sort<sup>15</sup> carry an instalment loan of \$14,000-16,000 (\$10,000-12,000). For ‘middle class’ families, the proportion of families with loans is 57% (51%), worth an average \$18000-24000 (\$15000-21000).

Another form of consumer credit to families are credit card overdrafts. In 2007, 33% (33% in 98) of ‘proletarian’ households had overdrafts worth an average \$4,000 (\$3,000-4,000). In contrast, 59% (54%) of ‘middle class’ households had overdrafts averaging \$6,000-9,000 (\$5,000-6,000).

As could be expected, a smaller percentage of poor households carry less indebtedness than middle class families. This is still true when the third quintile is added to the ‘proletariat’, leaving only the fourth one to represent the ‘middle class’.

## **B/ Mortgage**

In 2007, 20% (17% in 98) of ‘proletarian’ households had a loan on their residential property worth an average \$71,000-73,000 (\$45,000-55,000). In contrast, the percentage of ‘middle class’ families (only of those with some kind of loan) was 58% (52% in 98), worth an average \$104,000-137,000 (\$66,000-90,000). These figures concern the totality of residential investment by families in new and resale homes. Only new starts can be considered to ‘pull final demand’, and they represent only 14% of total deals.

The data most frequently cited to illustrate the rapid growth of US households indebtedness combine consumer credit and mortgages. Even then, the distribution of total debt by income level clearly shows the secondary share of the poorest households in total debt. From 2000 to 2007, total US household debt rose to

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<sup>15</sup> Data cover only families with loans (77% of all families at all levels of income)

\$11,273bn, up from \$4,700bn (+72%). But the 'proletarian' families share of that rise was only \$430bn, i.e. 9% of the total increase.