

On our Strategy. A Response to Two Critiques.

Preliminary Remarks

This is a rather quick and not fully theoretized reaction to critical comments by Aníbal [[LINK](#)] and Fredo Corvo [[LINK](#)] on several of our texts, which the two have also translated into Spanish and English. We would like to take this opportunity to thank the authors for their translation work and for their critical notes!

Let us summarize in our own words. The authors mainly criticized our view that labor-time accounting could be implemented in the here and now. What caused some astonishment was our skepticism towards the idea of a world revolution and the statement we made in our review of Cockshott and Cottrell that labor-time accounting could spread across national borders within the existing order. In this context, we assumed a kind of parallel economy, a kind of peaceful coexistence of a labor-time economy and the market economy. We also considered whether labor certificates could be converted into money in order to obtain goods from the market that are not available in the labor-time economy without feeding money into the labor time economy. These rather sparse considerations on a parallel economy met as much criticism as our alleged lack of a revolutionary perspective.

The two critiques have pointed to a real gap in our theorizing. In our practical educational work and in many of our texts, we have primarily been concerned with presenting the »Fundamental Principles of Communist Production and Distribution« as developed in the book of the same name by the Group of International Communists (GIC). We have focused on popularizing these ideas and our labor-time app. In the GIC book, however, a successful proletarian revolution and thus ready-made socialist relations of production (common ownership of the means of production, a council system, etc.) are simply presupposed. We are thus further concerned with the question of how, under the current conditions, one could even get there, or how the theory of labor-time accounting could become a material force. We admit that our previous remarks on this were quite sparse and could easily lead to misunderstandings. We would therefore like to take Aníbal and Fredo's critiques as an opportunity to say more on our strategy. These considerations will remain fragmentary. We should present them in a broader frame on another occasion.

Theoretical Notes on Praxis

The social and political situation today is different from a hundred years ago: Communism has been largely discredited by the collapse of the Soviet Union, the labor movement and its organizations are on the defensive and in the West all of them have a reformist-Keynesian orientation. Alongside this, you will find small radical left-wing splinter groups and sects in which communism, due to its political insignificance, has degenerated into an abstract ideal. We cannot expect the majority of people to follow such an abstract ideal with no touchstone in reality. Even if we support concrete labour struggles and found workers' organizations: Where, those involved will ask themselves, is the evidence that something greater can emerge from these single struggles, a social synthesis that reaches beyond capitalism and makes a better life possible? How do we know that communism is superior to capitalism and fascism not just morally but also economically? These questions need to be clarified for many who are interested in a fundamental social change!

However, we believe that in this respect it is more convincing to have practical experience than sophisticated theorizing. Many people, not least workers, feel a strong sense of unease in capitalist society but see no real way out, which is why they fall prey to social democratic, neoliberal or even racist ideologies. Those seem to offer them solutions and - to draw on Gramsci - create a ready-made coherence that requires no effort to think. Thinking is a human ability that, like any other ability, must be learned and which the living situation of many people has atrophied. For many, the painful experiences of alienation and heteronomy in everyday life are mentally unmanageable; and thinking about a different, a better world is only poor consolation and of little use if you have to cope and survive in this world.

We believe that people must experience socialism - especially if it is to be a self-managed and council socialism - in order to be convinced by it. This is why we want to build self-organized networks at small scale, »niche economies« so to speak, in which people can try out the idea of labor-time accounting. This is why we are developing a software application, our labor-time app, to demonstrate to people that the »Fundamental Principles of Communist Production and Distribution« can be practiced here and now and carried out using the latest technical means. With the help of the app, people can learn to keep a record of their productive activities based on labor-time accounting and thereby connect with others. In this way, they can also learn what self-organization and (plant) self-administration mean. This is the only way for people to regain confidence in their abilities and learn - perhaps with pleasure - to regulate and control workflows themselves, without supervision, without monitoring, without superiors!

Our hope, of course, is that such networks would grow and spread further and further. We don't have to build the self-managed structures ourselves, as there are already many attempts and forms of self-organized economic activity we want to bring together. In (presumably) every country, there are numerous self-managed collective farms, occupied and rebuilt plants, or cooperatives with long-term emancipatory goals. They produce books, vegetables, tools, furniture, websites, or textiles, they offer cab rides, courier services, medical care, cultural activities, cleaning services and much more. They have deliberately or out of necessity decided to work with a uniform wage and without a boss.

We think that such collective plants could use labor-time accounting as a tool to coordinate their different types of work. In principle, this would only require regular plenums of plant representatives and planning by the plants. Our app can automate many of the necessary accounting tasks. What exactly would these networks look like, how often would they have to meet, how would the plan control work, what would the participation requirements be, what decisions would be made centrally? We cannot decide that, it is up to the workers. From a theoretical point of view, we can only estimate that it can work and offer active help. Nor can we decide in advance how large these networks will be and whether they will remain a mere model or even become »productive« cooperations.

We realize, though, that niche economies are not yet communism. They would be relatively small islands within capitalism and, as a result, linked to and dependent on capitalism in all sorts of ways. Thus, the labor-time economy and the market economy will have to coexist, especially in the beginning. Our considerations revolved around this type of parallel economy. It is practical problems to which we are looking for a solution in order to provide the networks with advice and support. But more about this in a moment.

In the long term, of course, we are building on a major revolutionary upheaval. But it is precisely in a revolutionary situation that chaos reigns and there is always the danger that demagogues and proxy

groups will seize (state) power and violently dissolve all self-organized structures. Until such a moment occurs, it would be advantageous if labor-time networks already existed, which have gained in attractiveness through their functioning and their many advantages and which prove by their mere existence that a humane socialism, beyond the market and the state, is possible. We therefore consider the self-organization of niche economies to be desirable. First, it is the only way in which the working class can experience this kind of economy. It could provide a non-intellectual and non-elitist approach to communist practice. Second, a communist movement would simply need concrete experience to further develop the theory of labor-time accounting and adapt it to the present. The current crises will be followed by further, perhaps more severe, crises. Until then, the working class and its organizations should already have a wealth of experience and knowledge about self-organization and labor-time accounting to prevent them from being incapacitated by functionaries and elites of all kinds.

Reflections on a Transformation of the Economy

For a better understanding of our theoretic-strategic considerations, and trying to address the misunderstandings mentioned above, we would like to sketch below a possible transformation of the market economy into labor-time socialism. Perhaps it makes sense to distinguish between:

- 1) labor-time economy under capitalism,
- 2) labor-time economy parallel to capitalism and
- 3) the fully developed labor-time economy

This could be different stages on the way to a complete global labor-time economy. It is not meant to be a finished theory, at least not here and now. It is just to explain a little better how we think pragmatically about some things at the moment. First, a few words about stage 1 or »labor-time economy under capitalism«. From our point of view, this is the stage that we could, at best, reach right now. Of course, this could happen in many different ways. We could distinguish between a strong and a weak variant. The strong variant would be a revolutionary upheaval in a larger region, such as a large industrial region. What would be a weak variant? For example, the scenario we described above, in which there are smaller or larger networks of self-managed plants based on labor-time (ideally on a transnational level, which could be seen as a stronger version of the weak version of stage 1).

From a legal or governmental point of view, a weak version of stage 1 would be similar to the already existing »social economy« (cooperatives, squatted factories, time banks, etc.). If this one exists, why shouldn't networks of self-managed plants based on labor-time also be possible? We think that a weak version of stage 1 could at least serve the purposes of propaganda. This does not mean that it should only be seen in such an »instrumental« way. Any labor-time economy would, of course, also have to directly help and serve all those who work in it. It would have to avoid or at least reduce any form of exploitation. Such labor-time networks would nevertheless be something new, something different from the »social economy« as we know it, even if only to a very small extent. Such small-scale networks would certainly not be communism (even if the plants involved practiced radical internal democracy and »common ownership«). They would nevertheless be different because they would operate not with money but with labor-time. Those who fully deny this also deny that there is any difference at all between money and labor certificates. It is at least this small difference we are counting on, hoping for.

Undoubtedly, such a labor-time economy (weak version of stage 1) would be subject to the rule of bourgeois law; it would have to abide by state regulations and practically believe in the »liberality« of the state. Of course, we cannot guarantee that such a labor-time economy would not be exposed to all

kinds of state repression and manipulation. Nor do we want to claim that any state could have an objective interest in labor-time accounting or take sides with it. Even a liberal state is a state - the state of capital! For example, the state could use the labor-time economy to further dismantle the welfare state, as the »social economy« is repeatedly accused of doing with regard to neoliberalism. Initially, however, we are counting on the aforementioned »liberality« of the state or perhaps rather a certain lack of interest on the part of the state, which could allow such networks to spread - under the radar, so to speak. Another and our preferred case would be that the working class or the social support for such networks has become so strong that the state is forced to recognize them.

We believe that labor-time accounting must first be properly practiced and rehearsed, so to speak, before it can become socially effective. From nothing comes nothing. As materialists, we think that a new mode of production must have proven itself beforehand, at least in embryonic form, and that true agitation and organization is only possible in this context. We should not simply trust that the councils in a political revolution would automatically opt for something like labor-time accounting, certainly not under the brutal conditions of (civil) war (which has almost always set the framework for revolutions so far). The result of revolutions is necessarily what was there before, even if only in embryonic form.

When in our FAQs we say that no major revolution is needed for labor-time accounting to be put into practice, we are referring to the »one great world revolution«. Not because we are against it, but simply because we think it is very unlikely in this form or don't want to wait for it forever. We think there could be an immediate or at least very quick jump to stage 2 (a stage where about half the world has moved to a labor-time economy), but not immediately to stage 3. We can therefore only agree with Fredo Corvo that a revolution in a significant industrial zone would be necessary. If such a revolutionary zone introduced labor-time accounting, we would consider it a strong version of stage 1. When we say that a labor-time economy could grow slowly, on a smaller scale, and across national borders, then we envisioned such a stronger version of stage 1. »Across national borders« means: a revolutionary zone could possibly have economic exchange with niches of labor-time accounting in »liberal« states. Such a labor-time economy would have to take care of its relations with the capitalist environment. The question of currency reserves would arise automatically.

Excursus: Money Producers

For small niche economies based on labor-time, we have devised the concept of »money producers« which, however, can by no means be considered fully developed. We think that for people who still receive money income, there should be the possibility to make parts of their income available to the labor-time economy (either because they consider it worth supporting or because it is only in there that they can get certain products). Plants with money income could do the same. They all would have to be registered with the general social bookkeeping and submit plans declaring how long they worked for each, say, euro. E.g. a lawyer earns a gain of 90 euros per hour, a worker 10 euros. Through such plans, money is redefined as a use product that costs different amounts of labor-time. It is as clear as day that such a redefinition neither eliminates money nor the exploitation linked to it - but the problem is precisely that in this scenario money is still necessary.

Like other plants, the »money producers« could now enter into a price cooperation (probably they should even be obliged to do so). The »commodity« money would now receive an average hourly value in labor-time. In our example, this results in an average of $(10 + 90) : 2 = 50$ euros per hour. It is important to understand what this means: the lawyer receives as many labor certificates as the worker, namely one certificate for every labor-hour. The (mandatory) price cooperation results in an average

price, which means that the worker is not disadvantaged, even though they have to work longer for each euro.

If a collective farm needs money to acquire means of production on capitalist markets, it could specify the costs of the necessary euros/dollars/etc. in labor-time in its plan. If it needs exactly 50 euros, according to our example it would specify one hour as a means of production (P) or raw material (R) in its plan. The euros do not appear anywhere in the plan of a plant in need of money, just as a beer producer does not write »hops« in his plan but, let's say, 1000 hours of R (as a representative of the hops required). If the plan is approved, the collective farm could receive the corresponding amount from the cooperative of money producers. The transfer of euros would, of course, be registered with the general social bookkeeping like any other movement of goods.

The process would, in effect, be comparable to crowdfunding, but crowdfunding with a reward, because the money producers submit plans and receive labor certificates for their work, which they could use to purchase consumer goods in the labor-time economy. The process could also be understood as a kind of import/export, which is at the same time creating an »exchange rate« based on labor-time. This is what was meant by our claim that money in the labor-time economy would only have a use-value character. Here, money literally only has - as Marx writes in *Capital* - the use value of being exchange value. On the inside of the labor-time economy, of course, it would not circulate, because internally there is no planning outside of labor-time as unit of account. Money would be used here exclusively for exchange with the capitalist environment, insofar as it is necessary: Either money owners want goods from the labor-time economy or collective farms need goods that are only available on the markets for money.

This concept of money producers has not yet been thought through to the last detail and raises difficult questions. For example: Should the transfer of money to plants be politically regulated? Should it be possible to donate money to the labor-time economy? How this should be dealt with? We are still discussing all these questions and it is not yet clear whether we will revise this concept further. At the end of the day, real practice will again be a better guide than theoretical inventions. Still, we believe it is essential to address such issues if one is seriously interested in establishing an economy of labor-time.

Final Remarks

Perhaps the reason for some misunderstanding is that so far we have not properly explained certain differences between labor-time economy as a niche in which our app could be used directly (as we hinted at in our FAQs towards the end) and labor-time accounting as such. As indicated, we think the labor-time app could probably be used in liberal states, at least to the extent that liberal states also allow time banks, cooperatives, etc. We do not claim that the use of the app in a liberal state would be revolutionary. It would be rather experimental in character, a kind of reformism, but possibly one with revolutionary potential, as there is an economic difference (albeit small for now) between cooperative niches with monetary accounting and those with labor-time accounting.

Our critics also touched on the question of how our ideas relate to the concept of dictatorship of the proletariat. There is certainly room for extensive reflection on this, which we have not yet done. After all, we think that caution is advised with political predictions, especially when they relate to revolutionary upheavals. Following the GIC, and for the time being, we consider it appropriate to view labor-time accounting as the realized *economic* dictatorship of the proletariat. The GIC notes: »This dictatorship is self-evident to us and does not really need special treatment, because the introduction of

communist economic life *is* nothing other than the dictatorship of the proletariat.«¹ This is not to say that a political dictatorship would not also be necessary. But it would have to be a dictatorship of the councils, not of the party or the state. On the other hand, we are not interested in buzzwords from the last century. In general, we think that questions of revolutionary organization must not - as in (post-)Leninism - revolve around themselves, i.e. only around the question of organization, but around the economic content, and that is precisely labor-time accounting. Class struggles, (mass) strikes and factory occupations cannot, of course, be replaced by this. But both will work together in the ideal case.

As may have become clear: We ourselves are struggling over the right strategy. Does it make sense at all to interconnect self-managed undertakings that are already overburdened by the demands of the market system? Or should we concentrate on the propaganda of theory, in the hope of creating a political movement for labor-time accounting? Ideally, the efforts will go both ways. But we are a very small group and still in our infancy. We invite everyone to support us in word and deed and to join us!

1 *Group of International Communists, Fundamental Principles of Communist Production and Distribution, Second Edition, Hamburg, 2020, p. 273, (translated by Hermann Lueer).*