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ARTICLE

“Pure” Capitalism, State and Public Fund

Capitalismo “puro”, Estado y Fondo Público Capitalismo “puro”, Estado e fundo público

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Abstract:

The article aims to assess the importance of public funds operated by capitalist states. For a brief period in human history, a public fund was used – at least a part of it in Europe – to respond to the struggles of the working class for better living and working conditions. Responses – varying, depending on the latitude of the region – in the form of social policies to make social rights possible did not last long. Created in the post-1945 period, they began to be dismantled towards the end of the 1980s, allowing the working class in some European countries to live with more extensive rights for three decades. The constant crises of the capitalist mode of production and the collapse of “real socialism” were the main determinants of dismantling the so-called welfare state. The characterisation of the stage of capitalism of the last 45 (forty-five) years is taken from Husson (2008). The French economist gave the current phase of monopolies the analytical category of “pure capitalism”. Taking his theoretical critique as an analytical reference, we aim to discuss the crises of capital in the context of social policies and their monetised form of implementation. Social policies, on the one hand, are rights-mediating instruments; on the other hand, they are closely linked to capital accumulation when they metamorphise social policies into commodities. Once

Keywords:
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the transmutation has occurred, the new commodities become advantageous investment spaces for capital in the crisis and beyond

Resumen

El artículo pretende evaluar la importancia del fondo público operado por el Estado capitalista. Fondo público que durante un breve período de la historia de la humanidad fue utilizado -al menos una parte de este en Europa- para responder a las luchas de la clase obrera por mejores condiciones de vida y de trabajo. Las respuestas -diversas, según la latitud del planeta- en forma de políticas sociales para hacer posibles los derechos sociales no duraron mucho. Creadas en el periodo posterior a 1945, empezaron a desmantelarse hacia finales de los años ochenta, lo que permitió a la clase trabajadora de algunos países europeos vivir con derechos más amplios durante unas tres décadas. Las constantes crisis del modo de producción capitalista y el colapso del "socialismo real" fueron los principales determinantes del desmantelamiento del llamado Estado de Bienestar. La caracterización de la etapa del capitalismo de los últimos 45 (cuarenta y cinco) años está tomada de Husson (2008). El economista francés denominó la fase actual de los monopolios con la categoría analítica de "capitalismo puro". Tomando su crítica teórica como referencia analítica, nuestro objetivo es discutir las crisis del capital en el contexto de las políticas sociales y su forma *monetizada* de ejecución. Las políticas sociales, por un lado, son instrumentos mediadores de derechos; por otro, están estrechamente vinculadas a la acumulación de capitales cuando este metamorfosea las políticas sociales en mercancías. Una vez realizada la transmutación, las nuevas mercancías se convierten en espacios de inversión ventajosos para el capital en la crisis y más allá de ella.

Palabras Clave:
Capitalismo puro;
estado; fondo
público

Introduction

"Pure" capitalism, the state and the public purse²

"Whether human thought can have objective truth is not theoretical, but practical. In praxis, man must demonstrate the truth, namely the effectiveness and potency, the externality of his thought. The dispute about the effectiveness or non-effectiveness of thought in isolation from praxis - is a purely scholastic question". (Karl Marx - Ad Feuerbach)

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The text we submit to the journal would be an essay if it did not contain multiple bibliographical references. It is based on research we have carried out over more than three decades of teaching at the Federal University of Rio de Janeiro (UFRJ). The ideas presented here refer to a line of argument that finds support in reality and, we hope, in the critique of political economy.

From its genesis to the present day, the capitalist mode of production has developed and preserved its pillars of support. We will mention the three most important ones in the logic of this mode of production: 1) private property; 2) the extraction of *surplus labour*³ by capital; 3) the state as a bourgeois organism of social domination (Mandel, 1982, p.333). Essential features of its social dynamics have been added, deepened and altered to its fundamental nature, which, as they have matured, have become “pure”. Moreover, the new features and substantive changes affirm rather than refute the law of value, the foundation of the social life of the capitalist mode of production.

In our view, what was modified when the era of monopolies⁴ was consolidated and replaced the era of free competition will be deepened by the events of the late 1980s and 1991, which led to the collapse of the bloc of countries known as “real socialism”. For Husson (2008, p.13-14), the fullness of the capitalist mode of production, *pure* capitalism, has since been reached. Since then, even with significant uprisings, it has not been possible for the working class either to go beyond occasional victories or to avoid continuous defeats in most countries.

In the late 1980s and 1990s, critical economic-political mechanisms were put in place to resolve the capitalist crises, the most important of these being converting the so-called socialist countries and states to the capitalist mode of production.

The economic, political and cultural map created by the Bolshevik Revolution of 1917, when it collapsed, was reshaped by a series of wars and violence – which have continued to this day – the most visible elements of which are nationalism, racism and xenophobia. Such violence brought with it disputes over rich sources of energy, wars, agrarian wars and a vast capitalist market that was to be created and integrate millions of people into the consumption of commodities. As the midwife of capitalist accumulation, violence once again took centre stage in the changes, disputes and conflicts.

³ For this analytical category, see especially Marx (2017).

⁴ For an understanding of this transition to monopolies, see the learned and exhaustive analysis of Netto (1992).

Hobsbawm delimits the borders of the Eastern European countries articulated under the USSR⁵ by “real socialism” and observes:

In 1945, the borders of the region that broke away from world capitalism expanded dramatically. In Europe, they now included the entire area east of a line running roughly from the Elbe River in Germany to the Adriatic Sea and the whole Balkan peninsula, with the exception of Greece and the small part of Turkey that remained on the continent. Poland, Czechoslovakia, Hungary, Yugoslavia, Romania, Bulgaria and Albania were now in the socialist zone, as was part of Germany occupied by the Red Army after the war and transformed into the “German Democratic Republic” in 1954.

This was part of the world whose social systems at a certain point in the 1960s came to be called, in the terminology of Soviet ideology, countries of “really existing socialism” - an ambiguous term that implied, or suggested, that there might be other, better kinds of socialism, but that in practice this was the only one that really worked. It was also the region whose economic and social systems and political regimes completely collapsed in Europe as the 1980s gave way to the 1990s. (1995, p.364)⁶

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The disarticulation of the “real socialist” bloc economies succeeded in turning them into economies that were then absorbed by the capitalist social relations of production that opened up – to capitalism in crisis – an enormous space for its business.

As the geopolitical map of capitalism expanded, millions, perhaps billions, of human beings in these and many other territories around the globe were affected by its consequences. The scope of the changes brought about by the end of the USSR led Hobsbawm to consider 1991 the last year of the 20th century because, for him, nothing more shocking could have happened to the world in what he calls the “*short 20th century*”: capitalism had won⁷ and would impose on the world a severe economic restructuring, driven by its economic-political-cultural and war logic.

⁵ The bloc of the Union of Soviet Socialist Republics which the historian refuses to call “really existing socialism”.

⁶ The Marxist historian *Eric John Ernest Hobsbawm* (9/06/1917-01/10/2012) published in 1994 (1995 in Brazil) his assessment of the 20th century, entitled *The Age of Extremes - The Brief Twentieth Century (1914-1991)*, prompted by events in Eastern Europe.

⁷ However, this does not mean that what is propagated in the mystifying discourses of the bourgeoisie and its state - by its theoreticians, its policies and culture and its multilateral organisations - is true, namely that the capitalist mode of production may be imperfect, but it is the only possibility open to humanity. This text affirms the opposite: a defeat - even of colossal proportions - does not have the prerogative to halt the course of history and eternalise it as the only possible sociability. The capitalist mode of production will not be transformed by the inertia of the passing of days, its ageing and subsequent demise. The social forces and contradictions present in this mode of production make the overcoming of capitalist social relations of production the only alternative to barbarism.



As it distanced itself from the aspirations of its formulators, “real socialism” became corrupt and collapsed. However, as long as it existed, it functioned as a possibility of overcoming bourgeois sociability, and, for this reason – for capital – it presented itself as a threat. The coexistence of such a reference of sociability different from capitalism – despite the deformations of real socialism – was one of the determinants for the construction of rights and social policies in the capitalist world. As long as “real socialism” existed – despite its missteps – it influenced the working class to fight for social rights and labour and to frighten significant capital with the “red danger”.

For Netto – following Marx – the possibility of new social relations is a project.

(...) whose viability presupposed the existence of objective conditions that would make possible the liberation of hundreds of millions of men from misery and exploitation, in the very process in which these masses would engage in a gigantic and fascinating social game of invention of new forms of life and coexistence - a game that would be unthinkable if, in the very genesis of the conditions of its emergence, the most profound democratic orders did not exist. (Netto, 1990, p.83 - italics in the original text)

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The big capitalist nations, eager to overcome the crisis of the 1980s and 1990s, saw in the “colonisation” of these economies: a) ways out of their crises by opening up the market; b) ways to reduce spending on social policies in capitalist states by turning social rights into commodities; c) reforming labour rights to free capital from the limits of exploitation of the working class; d) privatising public and state property through classical and non-classical forms of trade and giving significant capital new areas of investment

Alongside economic growth, a real ideopolitical and cultural war was waged for new sociability centred on the end of communist ideology, the end of labour, the end of trade unions and working-class *organisations* and the *end of workers'*, socialist and communist parties. It was perhaps the biggest offensive of capital against the working class on a world scale in the second half of the 20th century. The working class reacted with greater or lesser intensity, depending on its strength, its organisation and its tradition of struggle in the particular history of each social formation.



What we mean here is that the conversion of the “real socialist” countries into market economies greatly disseminated the social relations of the capitalist mode of production; the “success” of this onslaught has had several effects, the most important of which has been to consolidate and expand so-called *neo-liberalism* across the globe.

The onslaught of neo-liberalism, *pure* capitalism, disarticulated an essential part of the social class struggles all over the world; mystified forms of sociability such as individualism and entrepreneurship gained much strength and, in this process, we observe the return and growth of right-wing and ultra-right thinking, as well as the resurgence of fascism in many parts of the world, typical congeners of capitalist social relations.

Pure capitalism: an essential category for reflecting on social policies

In the period between the second half of the 1960s and the end of the 20th century, the complete maturity phase of monopoly capitalism was consolidated. For Husson (2008), “*pure capitalism*” is capitalism in its most developed and destructive phase for nature and humanity. For the author,

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(...) the legality of capitalism is deeply compromised. Its successes are directly proportional to the social regressions it imposes without compensation or counterpart. Even if the balance of power is in its favour, this must be clear: any project to regulate, discipline or humanise this system is, in the current context, pure utopia. Today, the only coherent attitude is, on the contrary, to oppose this “pure capitalism” with a “pure anti-capitalism” worthy of the threats it poses to the well-being of humanity (Husson, 2008, p.194). (Husson, 2008, p.194).

The development of contemporary “*pure capitalism*”, more so than in any previous period of human history,

(...) it tends towards pure functioning, progressively stripping itself of all the “rigidities” that might regulate or slow it down. It is not so much a return to previous historical forms as an adaptation to their concept. There are two major trends in this movement: the “commodification” of labour power and the tendency towards the formation of a world commodity market. On the one hand,



this is capitalism without adjectives, although the term neoliberal capitalism may be a convenient way of describing its current phase. On the other hand, we must reject partial theorisations that highlight a particular aspect [of the movement of this mode of production] and conceptualise it as globalised, financialised, patrimonial, shareholder or cognitive capital (Husson, 2008, p.9). (Husson, 2008, p.9).

To say that capitalism lives in its pure state, which can best be grasped by research, does not mean that its social relations remain “visible to the naked eye”. On the contrary, the more mature bourgeois society is, the more mystified and reified the everyday relations that constitute it. The *purser* capitalism is, the more intensely its critics and social movements working for social transformation are repressed.

In what follows, we will highlight the movements and the physiognomy imprinted by pure capital in the monopoly era on the State (Ianni, 1981; Mandel, 1982; Netto, 1992), on the Public Fund and social policies⁸

In our research, we have focused our analysis on Brazil. However, we know that the general laws of the capitalist mode of production and the formulations contained in the multilateral organisations of significant capital allow me to affirm the full validity of the Marxian warning “History is about you”. In other words, in the field of social policies, the prescriptions proposed in the texts, pamphlets and manifestos of significant capital were not formulated in the image and likeness of others *by coincidence*. It is worth asking why countries as diverse as Brazil and Italy, Argentina and Thailand, France and Chile, Peru and Portugal, Greece and Mexico are guided by social policies of identical content, even if in form, they retain a particular singularity in their implementation.

Under pure capitalism, in the last 50 (fifty) years, the public purse has been a central component – more than at any other time – in overcoming the crises⁹ of capital. By public fund, in a mediated way, we mean the totality of the wealth managed by the bourgeois state. On the surface of social life, this wealth is the product of social contributions from taxes levied on capital and labour and from the profitability of state-productive enterprises. Beyond the appearance, the public fund managed by the bourgeois state is part of the surplus value socially produced and appropriated by the bourgeois state.

⁸ For my doctoral thesis on social security policy (pensions), I worked on texts produced by the two most important multilateral organisations of big business. In particular, I read the texts of the World Bank Group and the International *Monetary Fund*, which formulate the social policies implemented by states and nations all over the world. At the time, I was able to analyse some three thousand texts on the subject, and the “conclusions” of the research are collected in Granemann (2006).

⁹ See Nakatani (2006) and Salvador (2010).

What capital collects in taxes and social contributions originates from profit, which is the product of surplus labour, exploitation and the suction of surplus value from labour power. The working class makes its social contributions and pays its taxes from its wages, which corresponds to necessary labour to Marx (2013). To put it explicitly, what we call *public funds* is essential labour + surplus labour, the social product of surplus value. Suppose, in the appearance of social life, capital and labour contribute to the formation of the public purse and the support of the state. In that case, when the appearance is overcome, the public purse – present and past – is essentially produced by the expenditure of the energies of labour power while it works.

Social policies are not concessions of capital or its state to the working class, for two main reasons: 1) their origin is in the class struggle against the bourgeoisie and its state; 2) because the public purse is the product of human labour. Contradictorily, the social policies that exist in the welfare state¹⁰ are, on the one hand, the response of the bourgeois state to the struggles of the working class and, at the same time, mechanisms that guarantee capital possibilities of valorisation. To put it bluntly, capital also benefits from social policies (Netto, 1992).

The imperative need to valorise monopoly capital leads it to metamorphose social rights, made possible by social policies, into commodities, as new spaces for capital investment; in other words: to open up new investment spaces for capitalist profit-making. As the frontiers of capital valorisation narrow, they need to seek new spaces to realise their permanent need to increase profits. As in Marx:

On the other hand, the concept of productive labour is narrowing. Capitalist production is not only the production of commodities, but essentially the production of surplus-value. The worker does not produce for himself but for capital. It is, therefore, not enough for him to create in general. He has to produce more value. A worker is only productive if he produces surplus value for the capitalist or serves the self-valorisation of capital. If we can choose an example outside the sphere of material production, we would say that a schoolteacher is a productive worker if he does not merely work on the children's heads, but demands work of himself to the point of exhaustion in order to enrich his employer. The fact that the latter has invested his capital in a teaching factory and not in a sausage factory does not change the relationship. Thus, the concept of the productive worker by no means implies only a relation between activity and useful effect, between worker and product of labour, but

¹⁰ State which, given its capitalist nature, can never be universal. Its experience was mostly concentrated in Western Europe and even there - in that part of the world - the achievements were not universal, because rights depended on nationality and place of birth and workers from African and South American "colonies" rarely had access to rights and social policies similar to those enjoyed by native workers in their own country.

also a specifically social relation of production, which has arisen historically and which labels the worker as a direct means of valorisation of capital. To be a productive worker is not luck but bad luck (2013, p.578 - our italics).

Thus, the areas in which the social policies of capitalist states operate – education, pensions, social welfare, and health care – have to become commodities like sausages, shoes and cars. To become commodities, the state must stop offering social policies. Rights are commodified, like supplementary pensions in Brazil and Pension Fund Administrators in Chile. Investments in areas of social life that used to be social policies become, by the disposition of the bourgeois state, instruments to solve capital crises. In analysing the crises from Karl Marx’s Capital, Netto points out that they are the result of...

(...) of the contradictions inherent to the capitalist mode of production, which constitute an undeniable component of this mode of production dynamics. In its evolution, the capitalist mode of production is necessarily punctuated by crises that are functional. Marx stresses that crisis operates to promote the transitory overcoming of contradictions in the capitalist dynamic - for example, the contradiction between the development of the productive force of labour and the fall in the rate of profit “must constantly be overcome by means of crises”. (Netto, 2020, p.375)

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Our argument considers social policies, metamorphosed into commodities, as one of the temporary solutions to the crises of capital (Granemann, 2006; 2012; 2013). There is a set of mediations for this metamorphosis to take place:

1) Social policies, such as those recommended for pensions by the World Bank Group in 1994, are typical ways in which significant monopoly capital produces the space for commodification by monetising what was once a right – free, state and public – into its instruments of capital accumulation.

2) 2) If the state is forced by social struggles to develop a social policy, it will not implement it with institutions that carry out social policy for free and workers paid by the state in state spaces. In Friedman’s (2023) formula, the transfer of money has been implemented for those who have nothing in order to realise, in the liberal maxim, the individual’s right to choose the goods they wish to consume. Of course, monetised transfers that replace social policies have little value. There are also new ways of



distributing the public purse: the state creates the possibility of consuming low-quality education and social goods by providing minimal amounts of money for the most miserable fractions of the working class to satisfy their needs in the market.

Societies that built economies in the post-World War II era centred on employment (although they never did so thoroughly for the entire working class, as this is impossible under capitalism) did not initially implement *monetised* social policies. On the contrary, they made social policies with universal characteristics and linked to formal employment; monetisation corresponded to the remuneration of wage labour and social policies realised rights through the public provision of education, health, housing, transport and social security, all of which were free, of good quality and moderately universal.

It was during the capitalist crisis, especially in the 1980s and 1990s, when unemployment worsened, working class struggles re-emerged, and real socialism collapsed, that the monetisation of social rights also became an alternative for states in the centre of the world economy, especially in Europe. The first trials of this monetisation took place in England and southern Europe, especially in Portugal and Greece. There, too, it was capital's need to find investment and profit-seeking opportunities that led to the commodification of areas of social life that social policies implemented by the state had previously covered. Thus, a new form of social policy is imposed as a form of capital's crises: it does not matter whether its sales are from health or shoes, sausages or education, welfare or cars.

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In the absence of employment, the *monetised* form of social policy appears to be an essential economic and political "solution" for the working class. As it acts to contain struggles for better living conditions for workers, it is also politically crucial for capital. In this sense, it is a mysterious solution that economically serves the interests of capital.

Economic dimension: providing considerable sums to banking and financial institutions. The state transfers these sums of money to the banks so that they can pass them on to the users of the now welfare-oriented and monetised policies. Here, the institutions of social policy lose their importance to the banks, as the banking and financial capital will manage and appear as the instruments of social policy.

For bank-financial capital, the sums – even if individually small – constitute significant amounts that the banks can use as loan capital, interest-bearing capital, and bank credit.



In the 19th century, faced with this phenomenon of small sums mobilised by banks, the critic of political economy pointed out:

*With the development of the banking system, especially when the banks start paying interest on the money deposited, cash reserves and momentarily idle money flow into the coffers. Small sums, incapable on their own of functioning as monetary capital, merge into large masses and thus generate **monetary power**. This accumulation of small sums must be understood as a special result of the banking system and, therefore, distinguished from the intermediary role played by the banks between the real money capitalists and the lenders. Finally, only gradually consumed rents are deposited in the banks (Marx, 2017, p.455).*

The small individual sums paid for the “social policies carried out by the banks” become available assets and part of the banking-financial business, and by controlling them in the banks, these sums can drive large and profitable companies.

These sums are small for individual users and distributed to the poorest as a substitute for social policies. In Brazil, they only affect the strictly natural sphere so that the workforce can return to work every day. The result is the maintenance of the miserable living conditions of the working class.

Political dimension: by transferring money, even in small amounts, as if by magic, consumption and the illusion of access to the right to choose are transferred to unemployed workers. In reality, it is only a matter of a few “coins” that are converted into a few foodstuffs. Individual consumption does not allow policy users to see who the others are who also need these coins to survive.

In the context of a social policy institution, at least those who are equal can find a way to recognise themselves as bearers of the same sufferings and eventually cultivate political action. But, being segmented in bank accounts, often reached only by plastic money, in contact with a machine through a bank card, they cannot even realise that they belong to a social class, that there are many who are like them. The monetised form individualises and segments users and, at the same time, opens up an important avenue for the accumulation of bank capital.

Experiences with the construction of social rights (in the framework of the so-called welfare state) were possible under very particular conditions in post-war Europe. Their

dismantling was also subject to specific circumstances, such as the collapse of the Eastern regimes and the frequency of increasingly acute economic crises.

Such a situation, like the construction of “universal” social policies, was not determined by the natural course of the history of the iron evolution of the capitalist mode of production, nor was it the result of the generosity and concessions of the owners of capital. On the contrary, this conquest cannot be treated as something unilateral and easy for the working class; instead, it is the result of a very particular set of political and economic conditions which we must take into account: 1) the existence of the countries grouped in the former USSR as a possibility of an alternative social life to capitalism; 2) the enormous opportunities for investment and valorisation of the capital committed to the reconstruction of the countries destroyed by the long and intense war; 3) the destruction of millions of workers’ lives which capillarised the trade union, party and popular organisations in the daily life of the European countries and which were dismantled by the Second World War; 4) the permanence, after the war, of thousands of workers in arms¹¹ and with some condition to build embryos of social life of socialist orientation, alternative to the societies of the Soviet bloc, structured by Stalinism that undermined - according to the documented denunciations of militants and scholars¹² - the possibility of a development based on experiences of freedom in the direction of human emancipation.

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After the Second World War in Europe and Asia, these special conditions did not find the same weight and impact on the American continent. Here, their contours were characterised by the very conditions of the entire social formation of the American continent¹³ in relation to Europe. Nor was the construction of the welfare state on the American continent homogeneous and linear in the different countries where it was built; in Brazil, the classic *conditions* for constructing the social rights typical of the welfare state never existed.

Our complexity (like Latin America, like Brazil), which is not hierarchical in relation to previous social complexity (the realisation of the European welfare state), but rather diverse, is constituted in an unequal way not because of some arbitrariness, backwardness

¹¹ This consideration is very present in academic debates on the genesis and, equally, the collapse of the Welfare State and its related social policies in Portuguese and Italian universities. In this text, we only offer it as a hypothesis to be studied, since it is not included in the analytical arsenal of the subject in Brazil.

¹² Cultured - and novelised - accounts can be found in *El hombre que amaba a los perros*, by Cuban writer Leonardo Padura, published by Boitempo Editorial in 2013, and in the biography of Victor Serge entitled *Memorias de un revolucionario (1901-1941)*. Madrid: Veintisiete Letras, 2011 (available online). For an in-depth historical study of the period through the biography of *Leon Trotsky*, see Isaac Deutscher’s trilogy (Rio de Janeiro: Civilização Brasileira, various editions.) See also Netto (1992) and Granemann (2013).

¹³ The American continent is characterised by distinct differences and different stages of development of the capitalist economy, in line with its particular historical and social development, marked by the violent European invasion of each of the countries that make up the subcontinents.



or similar characteristics: it is concretised within the same mode of production, yes, but the forms for realising the same content in another time and another space (we could also say historical period and social formation) are dissimilar. However, the different forms give it the same mode of being: it is one and unequal and unity in diversity!

By way of brief and inconclusive final considerations

Brazil's Gross Domestic Product (GDP) 2023 was 10.9 (ten trillion and nine hundred billion reais). The Brazilian State Budget (at the federal level) in 2023 was recorded at 5.20 trillion reais (five trillion two hundred billion reais).

The Brazilian state, whose public funds are large enough to resolve the most severe inequalities, is a systematic cash box for significant capital needs, essential for the “always provisional resolution of its crises”. Without the Brazilian state, its public funds and the system of state and parastatal repression, the capitalist mode of production would not be as prosperous for capital as it is.

Capital produces constant demands that are made possible by the state through various means, of which at least four have been recurrent: 1) the regression of social rights which, in addition to the dimension of political defeat, has an inescapable economic requirement to push them towards the purchase of new “commodities”. These commodities refer to the purchase of “services”, formerly social services carried out as social policies, with public funds, examples of which are public health, social assistance, public housing and public education. 2) The increase in taxes on the consumption of the working class and, with it, a growing widening of the base of the composition of the public fund that absorbs it for the state. The public funds collected by the state are passed on to capital in various ways, the most scandalous of which, according to Nakatani (2006), is the remuneration of public debt at one of the highest interest rates on the planet. 3) The indebtedness of families through the use of credits authorised by the Brazilian state (known as “consigned credits”), deducted directly from salaries and pensions, without the labour force having the right not to pay back the money to the lender. Before the wage reaches the worker, the state and capital transfer portions of the salary to the creditors of the working class to pay their debt. 4) The continuity of a programme of privatisations, classic and *non-classic*, present in the different governments that have succeeded each other in the management of the state in the country since the 1988 Constitution of the Federative Republic of Brazil.



Our argument was intended to show that the apologetic need to reduce the state, to make it minimal, was nothing more than a fierce and insistent argument to support and enable privatisations of all kinds. The greed and creativity of capital limit these types of appropriate wealth. In other words, both in times of growth and in times of crisis – albeit in different proportions each time – and under monopolies, capital increasingly faces barriers to the valorisation process. Therefore, finding new commodities (those which the working class cannot stop consuming, such as social security, education and health), new branches and sectors of investment in order to make profits becomes a condition of survival of capital and the capitalist mode of production. Thus, we find ourselves in a world which, crammed with commodities programmed for a short and abbreviated duration, is combined with a stimulus which constantly creates needs, generating an almost compulsive dependence on acquiring the latest model of the newest commodity market through the supply of consumer credits, associated, in turn, with wages.

These times of pure capitalism reveal profound levels of dehumanisation in the inverse measure that the valorisation of commodities corresponds to a brutal devalorisation of social beings. The desire for commodities confirms the permanence of the law of value: unsold commodities are unrealised surplus value.

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In order to respond to the demands of capital – which are complex and growing – its state must assume the role of withdrawing from the economy in order to maximise its intervention in the provision of the conditions for the reproduction of bourgeois society and to guarantee the validity and functioning of the law of value.

The chimaera of a *minimal* state has never been more than an illusion necessary to realise the interests of significant capital. More than at any other moment in the history of capitalism, *pure capitalism* is the ultimate realisation of the state of capital, only because it is a minimal state for labour.

Public fundraising for social policies is gaining prominence. The public fund must sponsor different forms of realisation of monetised rights. In this context, discrediting a social policy institution – be it a hospital or a school – not only mutilates its quality but also disfigures its budget and disqualifies its excellence in the provision of a social right. Moreover, it becomes necessary to devalue the workforce by paying low wages and so many other mechanisms that systematically become determinations to renounce the public and praise the private.



On the near horizon, the alternatives for overcoming capitalism seem impossible. Still, if we adjust our glasses, we can see more widely into space, and perhaps the experience of working-class failure with social policies will allow us to overcome provisional rights and private property.

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