WORKING MORE, SELLING MORE, CONSUMING MORE: CAPITALISM’S ‘THIRD CONTRADICTION’

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Scholars and environmentalists have long pointed out that the consumerist living standards of rich capitalist countries cannot be universalized without inflicting irreparable damage on the planetary ecosystem.¹ This realization spells the end of any doubt as to whether the small island of ‘high mass-consumption’ that used to be held up as a model for the ‘underdeveloped’ world to emulate could be said to have resolved the contradictions stemming from the class nature of capitalist society.² As Silver and Arrighi point out: ‘Here, ultimately, lies the great challenge that will face workers in the twenty-first century: that is, the challenge to struggle, not just against exploitation and exclusion, but for consumption norms and secure livelihood standards that can be generalized to all and for policies that actually promote this generalization’.³

Although many scholars and social critics have in the past questioned whether growing levels of economic output and consumption lead to a richer and happier human life,⁴ very few have approached this question from the standpoint of the social and ecological contradictions that capitalist social structures tend to generate. This essay analyzes the futility of consumerism and the compulsive pursuit of economic growth under capitalism as a manifestation of a ‘third contradiction’ of capitalism.

SETTING THE STAGE: O’CONNOR’S ‘SECOND CONTRADICTION’ THESIS

One of the more distinctive contributions of ecological Marxism to the body of Marxist theory is James O’Connor’s conceptualization of a ‘second contradiction’ of capitalism, understood as an addition to the first contradiction that has always been a central focus of Marxist analysis.⁵ In particular, O’Connor uses the term ‘first contradiction’ to refer to the tendency of capi-
talist economic development to be punctuated by economic crises triggered by the difficulty of realizing the surplus value generated by capital’s exploitation of labour. In this respect, O’Connor views the first contradiction as a manifestation of the tension between forces and relations of production that the traditional Marxist theory of history has identified as the driving force of historical development.

By contrast, O’Connor’s ‘second contradiction’ is one ‘between capitalist production relations (and productive forces) and the conditions of capitalist production’. According to O’Connor, Marx was aware that capitalist production presupposed conditions that were not produced as commodities and even identified three distinct types of production conditions.

The first is ‘external physical conditions’, or the natural elements entering into constant and variable capital. Second, the ‘labor power’ of workers was defined as the ‘personal condition of production’. Third, Marx referred to ‘the communal, general conditions of social production, for example, ‘means of communication’.

Despite Marx’s recognition of capitalism’s dependence on these conditions, O’Connor argues that he did not draw the full implications of this. This is what O’Connor tries to do by drawing on Polanyi’s analysis in The Great Transformation. In that work Polanyi examined the attempt in nineteenth-century Britain to institute a free market social order based on the subordination of ‘fictitious commodities’ like labour, land and money to the vicissitudes of market forces. According to Polanyi, this attempt inevitably failed as the degradation of labour and natural conditions made it clear that fictitious commodities like labour, land and money were too important for the integrity of social life to be regulated by unadulterated market forces. The result was a series of social reforms that circumscribed the play of market forces.

Similarly O’Connor argues that the operation of capitalist economy tends to degrade the production conditions that are not produced as commodities. This tendency makes it imperative for these conditions to be regulated by a non-market agency, such as the capitalist state. Since these conditions are very broad, encompassing areas as diverse as regulation of natural conditions, the reproduction of a relatively healthy and skilled labour force, and the building of the cultural and urban infrastructures essential to capitalist production, O’Connor goes as far as to suggest that ‘[i]n terms of domestic policy, the state does little more than regulate capital’s access to production
conditions, and often participates in the production of all three, for example, in the form of wetlands policy, urban zoning policy, and child care policy'.  

Like Polanyi, moreover, O’Connor argues that the degradation of the conditions of production tends to give rise to social movements challenging the terms under which these conditions are appropriated by capital. ‘In Polanyi’s terms’, O’Connor argues, ‘new social movements can be defined as “society” fighting the commodification of production conditions…[or]…the specific forms of capitalist restructuring of already commodified conditions of production’.  

Although O’Connor recognizes that the second contradiction thesis cannot exhaust the meaning of new social movements, he does point out that ‘new social movements seem to have an objective referent in production: ecology and environmentalism in natural conditions; urban movements …in urban infrastructure and space; and movements such as feminism that pertain to (among other things) the definition of labour power, the politics of the body, the distribution of child care in the home, and similar issues, in the “personal condition of production”’.  

Thus the second contradiction leads O’Connor to interpret new social movements as potential agents within a more broadly redefined socialist project. In O’Connor’s view, the second contradiction may represent a second path to socialism, with new social movements potentially playing the role with respect to the second contradiction that traditional Marxism has long assigned to the working class with respect to the first contradiction.

 EVALUATING THE SECOND CONTRADICTION THESIS

One of the important contributions of the second contradiction thesis and its analysis of the conditions of production is that it opens up Marxist theory to the importance of natural and cultural factors and processes. By integrating such factors and processes into the analysis of capitalism’s crisis tendencies, O’Connor contributes to the emancipation of Marxist theory from its often economistic past. At the same time, however, O’Connor's treatment of the second contradiction as a supplement that can be added on to traditional Marxism’s analysis of capitalist contradictions is neither critical enough of the traditional analysis nor appreciative of the extent to which this analysis has to be reconceptualized in view of the ‘second contradiction’ thesis.

To begin with there is an element of uncritical teleology in O’Connor's speculation that we may be ‘engaging in a long process in which there occur different yet parallel paths to socialism, hence that Marx was not so much wrong as he was half-right’. In interpreting the two contradictions as ‘parallel paths to socialism’, O’Connor does not of course appeal to any kind of inexorable economic necessity. On the contrary, he emphasizes that whether
capitalist crises lead to a restructuring of capitalism or a move towards socialism ‘depends on the ideological and political terrain, degree of popular mobilization and organization, national traditions, and the like, including and especially the particular world economic and political conjuncture’. Nonetheless, O’Connor does believe that, even when crises are resolved through the restructuring of capitalist society, this restructuring tends to lead to ‘more cooperation or planning’, thus ‘making production more transparently social, meanwhile subverting commodity and capital fetishism, or the apparent “naturalness” of capitalist economy. The telos of crisis is thus to create the possibility of imagining a transition to socialism’. In other words, O’Connor’s analysis is teleological to the extent that it suggests that the economic crises generated by capitalism’s first and second contradictions point in the direction of socialism, even though it may be true that whether these crises lead to socialism depends on a multiplicity of political and ideological factors.

There are compelling reasons to reject the teleological assumptions underlying O’Connor’s account of the first contradiction. As O’Connor recognizes, crises play an important function in the capitalist accumulation process insofar as they constitute ‘an economic disciplinary mechanism’. In particular, capitalist economic crises stem from the fact that the reproduction of class relations in capitalist society is mediated by market competition. This fact also accounts for the economic and technological dynamism that, as Marx points out in the Communist Manifesto, differentiates capitalism from the class societies that came before it. In this respect, the economic crises that traditional Marxism has analyzed could very well be viewed as manifestations of capitalism’s vitality rather than disruptive events promising to set humanity on the path to socialism. As Marshall Berman has pointed out,

Marx appears to believe that these crises will increasingly cripple capitalism and eventually destroy it. And yet, his own vision and analysis of bourgeois society show how well this society can thrive on crisis and catastrophe … given the bourgeois capacity to make destruction and chaos pay, there is no apparent reason why these crises can’t spiral on endlessly.

Marx’s theory of history can help to explain this paradox. As I have discussed elsewhere, Marx’s theory of history elevates the structural logic of capitalist society into a trans-historical principle of social change and then projects it forward to anticipate the replacement of capitalist society by socialism. If the cyclical character of capitalist development becomes trans-
formed in Marx’s theory of history into a succession of modes of production and capitalism is viewed as one of these modes of production, then the logical next step is to assume that capitalism is as likely to reach its limits as previous modes. To the extent that the increasingly crippling effect of economic crises would signify the onset of a stage where capitalism’s limits became increasingly felt, it is clear that Marx’s answer to the question posed by Berman may, at least in part, stem from the ideological impact of the structural logic of capitalist society on Marx’s theory of history.

Marx’s theory of history appears in O’Connor’s work in the form of an assumption that the contradiction between capitalist forces and relations of production points in the direction of socialism. Once it is recognized that Marx’s theory of history was built upon an implicit and dubious homology between capitalist development and human history as a whole, traditional Marxism’s teleological interpretation of the relation between forces and relations of production becomes clearly problematic. In its place emerges a recognition of the possibility that capitalism may be more capable of advancing productive development and economic growth than traditional Marxism assumed. In fact, as O’Connor himself recognizes, its ability to do just that has contributed to capitalism’s ability to neutralize political challenges in the past.

Thus, although the first contradiction does entail an opposition between capital and labour, it was Marx’s theory of history, with its discounting of capitalism’s long-term ability to promote productive development, that encouraged a teleological interpretation of this contradiction. At the same time, the fact that, as noted in the beginning of this essay, the neutralization of capitalist contradictions through economic growth may not be ecologically sustainable suggests the need to view the first and second contradictions not as setting up parallel paths to socialism but as interacting moments within a larger capitalist totality. The nature of the interaction between these two contradictions may vary depending on the economic, political, and ideological conjuncture. It is also this conjuncture that helps to determine whether each of these contradictions will tend to aggravate or contain the impact of the other.

O’Connor himself recognizes that the question of ‘the relationship between the first and second contradictions of capitalism’ is a legitimate one and goes on to conceptualize it as a question of whether these contradictions ‘compound or offset their respective effects on profits’. O’Connor also provides an example of the relationship between the two contradictions when he points out that ‘the relatively slow rate of growth of worldwide market demand since the mid-1970s’, which for O’Connor is a manifestation of
the first contradiction,\textsuperscript{25} has led capital to attempt to restore profits both by ‘raising the rate of exploitation of labor, by depleting and exhausting resources, and by subverting the integrity of local community’.\textsuperscript{26} These responses are likely to aggravate both the first and the second contradictions, since intensified exploitation and growing inequalities would be likely ‘to reduce the final demand for consumer commodities’,\textsuperscript{27} while the externalization of ‘social and environmental costs’\textsuperscript{28} would tend ‘to reduce the “productivity” of the conditions of production, and hence to raise average costs’.\textsuperscript{29}

There is a neat symmetry underlying this description of how the two contradictions of capitalism reinforce each other. According to O’Connor, the second contradiction illuminates the threats to capitalist profitability that come from the ‘supply side’,\textsuperscript{30} while traditional Marxism’s concern with the first contradiction has tended to focus on the demand side. O’Connor does not, however, recognize the implications of the fact that different types of crises may call for different types of policy responses.

Working with a similar distinction between demand- and supply-side crises, Bowles, Gordon and Weisskopf have pointed out that, from the point of view of the functional requirements of the capitalist system, these two types of crises may call for diametrically opposite policy responses.\textsuperscript{31} While the most appropriate response to demand-side crises would be redistributive measures and government spending that boost aggregate demand, supply-side crises are likely to build pressure for policies, such as deregulation and lower government spending, that are likely to reduce the costs faced by capital. Bowles, Gordon and Weisskopf’s insight into the policy implications of different kinds of economic crisis can also be used to analyze the implications of economic crises for the second contradiction.

Indeed, in the same way that a demand-side crisis could, as it did after the depression of the 1930s, lead to progressive policies aimed at reducing economic inequalities, it could also lead to measures that alleviate the impact of the second contradiction. Thus, for example, government projects designed to respond to a demand-side crisis could be, at least in part, focused on the repair of natural conditions of production, the development of labour power through investments in education, and the building of urban and public infrastructures. Government projects during the New Deal provide an illustration of how the attempt to alleviate a demand-side crisis could also help to reduce the threat of a supply-side crisis generated by the degradation of the conditions of production.

The different types of policies needed to address the different types of economic crises also suggest that any move towards policies that make ‘production more transparently social, meanwhile subverting commodity and
capital fetishism, or the apparent “naturalness” of capitalist economy’ could be reversed if the problems afflicting capitalist economies change. Thus, as O’Connor himself recognizes, the continuing relevance of the first and second contradictions has not prevented the neoliberal move towards, rather than away from, reasserting fetishism and the primacy of the capitalist market as well as ‘defang[ing] national states once capable of effective social and environmental regulation at a time when more effective regulatory and control mechanisms are essential’. Once again, a teleological conception of the first and second contradictions as triggering changes that ‘create the possibility of imagining a transition to socialism’ seems problematic. Analyzing the two contradictions as moments within a capitalist totality that keeps changing partly as a result of the ways that the interaction of the two contradictions either aggravates or helps to contain their respective impacts seems more appropriate. An examination of the third contradiction of capitalist society further reinforces this conclusion.

THE THIRD CONTRADICTION OF CAPITALISM

Simply put, the third contradiction of capitalism stems not from an inability of capitalist social relations to continue advancing technological and productive development but rather from an inability to translate such development into a richer and more satisfying life for all human beings. In discussing the second contradiction, O’Connor points out that capitalism’s degradation of the conditions of production raises ‘the possibility not only of an economic crisis for capital but also of a legitimation crisis for the state’. The third contradiction too has both an economic and a legitimation dimension.

On the one hand, capitalism’s irrational use of the technological potential it brings forth generates a virtually universal human interest in a democratic, non-capitalist society capable of putting this potential to a better use. The more people become conscious of this interest, the more likely it becomes that this interest will give rise to a legitimation crisis for capitalist society. That such a legitimation crisis is a concrete possibility is shown by the fact that the demands advanced by radical movements in the 1960s did not just involve social justice and political rights but also a more ‘utopian’ quest for an alternative to the poverty of everyday life that is endemic to capitalist societies around the globe. On the other hand, we will see that the third contradiction could also have an economic dimension if it were to give rise to social movements pushing for reforms that addressed its sources.

The rest of this essay will undertake two tasks: first, it will provide a sketch of how the structure of capitalist social relations gives rise to the third contradiction; and, second, it will discuss some of the ways in which this con-
tradiction may interact with the two contradictions analyzed by traditional Marxism and O’Connor. The purpose of this discussion is to show that the eco-socialist project that O’Connor seeks to advance has to be as cognizant of the third contradiction of capitalism as of the two contradictions treated in O’Connor’s work. I will defend this claim by focusing on two major sources of the third contradiction, capitalism’s bias for production rather than free time and its systematic cultivation of consumerist aspirations.

**CAPITALISM’S PRODUCTIVIST BIAS**

A number of scholars have discussed the significance of the fact that, beyond a certain level of income, the average reported level of life satisfaction in a given country does not increase with economic growth. Existing accounts have not, however, offered a systematic treatment of the ways in which the structural features of capitalist economy may contribute to this disconnect. Instead, they have more often focused on consumption races that are triggered by individual pursuit of ‘positional goods’ and the existence of a conflict between individual self-interest and social outcomes.

Robert Frank, for example, convincingly demonstrates the waste generated by the spread of consumerist patterns and the missed opportunity for enhanced human welfare that such waste entails. One manifestation of this missed opportunity, according to Frank, is the fact that Americans have been overworking themselves to sustain consumerist lifestyles even as studies suggest that, once a level of material comfort has been attained, non-positional goods, such as free time, make a greater contribution to human welfare than additional consumption of material goods.

Other authors have investigated the economic and historical reasons why labour productivity increases in the last hundred years have overwhelmingly been translated into growing economic output and consumption rather than shorter work hours. These accounts do make reference to the differences between the interests and perspective of labour and those of capital but often understate the degree to which a bias against free time is inherent in capitalist society. For example, the historical overview of the trade-off between economic growth and free time in capitalist society leads Gary Cross to a pronouncement concerning industrialism’s supposed bias ‘toward producing goods rather than leisure’. This pronouncement obscures the ways in which the productivist bias stems from the capitalist nature of our socio-economic system, and thus also obscures the possibility of a non-capitalist alternative that would redress the imbalance between production and free time.

The claim that the productivist bias of our economy is linked to its capitalist nature can be defended on both empirical and theoretical grounds.
On the empirical side, Pietro Basso’s work on the European working hours regime casts doubt on Schor’s presentation of European capitalism as having attained a more balanced relationship between economic growth and free time. Basso’s analysis suggests that instead of representing a viable alternative to the American model, European countries are converging towards the ‘flexible’ American model that intensifies exploitation and reduces free time.

On the theoretical side, the fact that the trade-off between production and free time has, in recent decades, been resolved in favour of the former and that this development ‘did not occur as a result of public debate’ bears witness to the power of capital to shape social developments in accordance with its interests. Schor has discussed a number of reasons for the appeal that long hours continued to have for employers even after workers started to get paid hourly wages. There is, however, another important reason why capital would prefer the translation of increased productivity into economic growth rather than a shorter work day.

If all the productivity gains were taken in the form of shorter hours, all of the benefits of increased productivity would go to workers. In the absence of economic growth, it would be hard for profits to grow and, although this would be true for consumption as well, workers would at least be getting the benefit of more free time. The reverse is true when productivity becomes translated into economic growth. Then it becomes easier for capital to benefit from productivity growth and this benefit comes at no cost for the owners of capital. As returns on capital are not the result of work, capital’s partiality towards production does not represent capital’s answer to a tradeoff facing everyone involved. This partiality is an attempt, on the part of capital, to buy higher profits through the sacrifice of other people’s free time.

Thus, it is not an accident, as Hunnicut points out in his discussion of the factors responsible for the slowdown of ‘the drive for shorter hours’, that the opposition of American capital to shorter hours hardened with the emergence of ‘business doubts about the link between increased productivity and shorter hours’. From the point of view of capital, if shorter hours cannot themselves be a source of productivity gains, they are undesirable because they siphon off productivity gains in the direction of workers. Hunnicut also traces the historical forces in the early twentieth century through which work came to be viewed as an end in itself. Although the experience of the Depression contributed to this outcome, capital and its representatives also played a role in this remarkable discursive development:
Businessmen also defended work against the threat of shorter hours by attacking the notion that work was unpleasant – some kind of trial or a negative part of living. They spoke of work as a “joy”… In contrast to the previous two decades, when work as a social value was undergoing a ‘crisis’, in this decade [1920s] few such doubts remained, at least in business and trade publications.  

The ability of capitalists to use their economic resources to influence public debate shows another limitation of those non-Marxist accounts of our economic system’s irrational productivism and consumerism that downplay the significance of the power relations inherent within capitalism. For Robert Frank, for example, consumerist patterns that do not advance our welfare as effectively as more free time would are due to ignorance, and to our failure to understand both the sources of these patterns ‘and how painless it would be to change them’. Like Galbraith, then, Frank places his hopes on the market of ideas and the long-term capacity of good ideas to prevail, ignoring how a highly unequal capitalist society lends an inherently productivist bias to the market of ideas. No market of ideas can be expected to perform its function properly when it is embedded in a highly unequal capitalist society.

Capital’s ability to translate productivity increases into growing production rather than reduced working hours for all is supported by another feature of capitalist society that is usually neglected by mainstream economics. For mainstream economics the amount of time people devote to work tends to reflect their preferences between free time and income. Juliet Schor, however, identifies an important obstacle to people’s ability to pursue a satisfying life when she points out that in the United States, for example, there is no true market for free time since workers usually do not have the option ‘to trade off income gains for a shorter work day’ and cannot shift to part-time work without incurring a heavy ‘economic penalty’ in the form of lower pay rates. Another reason for long work hours in the United States is that overtime pay legislation does not cover salaried workers. As their pay does not vary with amount of work, their marginal cost to employers is zero, who can, for that reason, push them to ‘[toil] at nineteenth-century schedules’.

All of this points to the difference between the abstract models of a market economy that neoclassical economists work with and the realities of a capitalist economy that involves power relations that inevitably shape the way markets operate. The degree to which labour markets provide workers with the possibility to select the optimum for them mix of free time and income depends on social and labour legislation. The fact that recent moves towards
economic and labour ‘flexibility’ have catered more to the needs of employers than those of workers reflects the disproportionate level of economic power and political influence that capitalist inequalities accord capital and its representatives. As Schor points out, the absence of a market for free time is consistent with capital’s interest in long hours, so that a challenge of this absence would inevitably represent a challenge to capital. It would also represent, however, a challenge to a socio-economic system that accords disproportionate power to a privileged minority with a stake in policies that frustrate the translation of growing productive and technological potentials into a richer and more satisfying human life.

Individual choice between income and free time is distorted by capitalism’s bias for growth and consumption in yet another way. As Conrad Lodziak has pointed out, the unnecessarily long days that most people have to work in capitalist societies drain them of their energy. This means that long workdays tend to leave people under-resourced to pursue, in their free time, creative activities, which might be demanding and challenging, but which also would increase the satisfaction that they could derive from the use of their free time. Instead, people are more likely to pursue less demanding activities, such as watching TV or going to the mall, which are either consumption-intensive or expose them to endless advertisements. Thus a vicious cycle is generated: capitalism’s bias for growth and consumption shapes people’s preferences in ways that devalue free time while increasing the appeal of commodities; then these distorted preferences further reinforce capitalism’s translation of productivity increases into growing consumption rather than reduced work time. Capital’s ability to accumulate is thus predicated on a stagnation of the human enjoyment that can be derived from the immense technological and productive potentials that capital accumulation also generates.

‘THE SALES EFFORT’ AND CAPITALISM’S CULTIVATION OF CONSUMERISM

Another way in which contemporary capitalism systematically frustrates human enjoyment is through the growing importance of ‘the sales effort’. As critically oriented economists and scholars have long pointed out, one of the most important developments in twentieth-century capitalism was the emergence of a rapidly growing apparatus for marketing commodities. This apparatus relies on scientific research, employs the creative talent of a growing army of design, advertising and marketing professionals, and oversees the investment of commodities with meanings that are culturally valued and play on the consuming public’s deepest longings, aspirations and fears.
The rising importance of the sales effort has been just one aspect of the project, more or less consciously pursued by twentieth-century capitalist elites, to build a consumer culture capable of reducing labour resistance in the workplace, containing capitalism’s economic crisis tendencies and turning people’s discontent with the problems of life in a capitalist society into fuel for further capital accumulation. The mobilization of cultural meanings by the ‘commodity sign industry’ parasitically feeds on the cultural creativity of diverse contemporary subcultures. In attempting to associate standardized commodities with images and subcultures that are accorded ‘social and cultural value’, contemporary capitalism often trivializes the meanings it employs.

Nonetheless, the endowment of commodities with culturally valued meanings simultaneously implies the increasing association of cultural values with the appropriate commodities. As capitalist consumer culture continues to liquidate non-commercialized local cultures, the ‘migration of meanings and values from relationships with people to relationships with market goods and spectacles’ channels people’s consumption preferences and conceptions of the ‘good life’ in a consumerist direction. The result is not just the already discussed bias against free time, but also a systematic alienation of people from their ability to pursue enjoyment through an autonomous creation of meaning.

This alienation is an outgrowth of the alienation at the basis of capitalist society, namely that of producers from the means of production. Beyond forcing the majority of the population to sell their labour power for survival, this alienation also makes it possible to organize the social construction of meaning in ways that favour capital accumulation. Indeed, one of the functions of the separation of producers from the means of production is to reduce the time working people can devote to the task of gaining the information they need in order to be less vulnerable to the seductions of advertising and to the ability of capital to subordinate the creation of meaning to its quest of profitability. The separation of producers from the means of production does not just undercut the autonomy of individuals qua consumers but also gives capital access to the time, ingenuity and creativity of the workers who specialize in the appropriation, processing and subordination of cultural meanings to the quest of capitalist profitability. A growing number of workers are engaged in this type of activity, ranging from workers carrying out traditional advertising and marketing functions to the ‘cool hunters’ who scour inner cities and assorted subcultural milieus to investigate and exploit the ever-changing conceptions of culturally valued traits.
The consumerist conception of the good life that capitalism engenders undercuts human enjoyment in more than one way. Apart from distorting people’s relative valuation of income and free time, this conception interacts with the meritocratic illusions capitalism engenders to separate people into ‘winners’ and ‘losers’. In particular, the fact that the reproduction of class relations in capitalist society is mediated by market competition and a certain degree of socio-economic mobility lends credence to the ideological portrayal of those at the top as worthy individuals who owe their success to nothing but their talent and hard work. As the labels ‘winner’ and ‘loser’ are invested with intense emotional content, moreover, conforming to consumption norms becomes a source of pleasure in its own right. As satisfaction increasingly becomes a function of relative rather than absolute levels of consumption, satisfaction increasingly becomes a positional good, the availability of which does not change with ever growing average levels of consumption. Thus the consumerist conception of the good life that capitalism encourages also gives rise to the kind of wasteful consumption races that Robert Frank attributes to fanciful causes, such as the biological evolution of the human species.60

It is possible to imagine ways in which capital’s ability to subordinate cultural meanings to the imperatives of capital accumulation could be curbed. Imagine an alternative regulatory framework in which advertising, on behalf of businesses, was carried out by independent public bodies that had as their mandate not the persuasion of consumers but the provision of reliable information. In this framework, advertising might include an objective comparison of the advertised commodity to close substitutes. Companies seeking to advertise their products could also be required to make substantial contributions to a fund devoted to the advertising of non-commodified public goods, so that the problem of social balance discussed by Galbraith could also be redressed.61

What would be the effects of such a regulatory framework? Advertising would lead to more reliable information for consumers. Instead of distorting people’s choice between consumer goods and free time and contributing to consumerism and the waste of the productive and technological potential of our society, advertising could save people time by making consumer choice easier and less uncertain. The amount of resources devoted to advertising would also probably decrease, since such a framework would give only companies with high quality products an incentive to advertise.

Modest as such a proposal may sound, it would be a challenge to capital’s preference for a consumerist society that leads to a stagnation of human satisfaction through its systematic bias for economic growth and against free time.
Once again, the disproportionate power that capitalism accords capital and its representatives becomes an obstacle to policies that could increase human satisfaction and enrich human life. This does not mean, of course, that pursuing such policies is impossible. What it does mean is that to the extent that social movements were successful in their pursuit of the type of labour market and advertising reforms sketched in this essay, capital profitability might be affected negatively. In this respect, what O’Connor says about the second contradiction also applies to the third contradiction. This contradiction has both a legitimation and a profitability dimension. Just as the existence of this contradiction threatens to delegitimize capitalism by exposing its fundamental irrationality, the social reform movements that this contradiction can potentially give rise to could undercut capitalist profitability.

CONCLUSIONS

The three contradictions addressed in this essay should be treated as analytical tools that can be used to illuminate specific social, economic and political conjunctures and the challenges and possibilities that such conjunctures pose for emancipatory movements. Thus, instead of a teleological interpretation of these contradictions as parallel paths to socialism, the conception advanced here would lead us to focus on the ways in which the ever-changing articulation of these contradictions becomes a constitutive element of specific historical conjunctures.

The status of economic growth as an unquestioned ideal of capitalist society speaks to the relationship between the first and the third contradictions. The appeal of economic growth in capitalist society is due to the fact that economic growth functions both as a substitute of economic redistribution and a means to averting unemployment and the chronic material insecurity confronting large parts of the population in capitalist economies. Thus, economic growth helps to contain two implications of the first contradiction, the potential for class struggle against the rule of capital, and the precariousness of the position of working people within capitalist society. This means, however, that an effect of the first contradiction may be to strengthen the bias in favour of growth that is central to the third contradiction. At the same time, however, the urgency of the demand for material security may also obscure the irrationality of capitalist society that becomes manifest in the third contradiction. Capitalism’s inability to translate productive and technological advances into a richer, more satisfying life may seem as a secondary, and relatively abstract, concern to anyone struggling to secure basic material survival.
In encouraging a blind faith in economic growth, the first contradiction can also aggravate the impact of the second contradiction. This also means that the second contradiction places limits on capitalism’s ability to contain the negative impacts of the first contradiction through economic growth. O’Connor’s formulation of the second contradiction suggests that the degradation of the conditions of production can be the result of capital’s adoption of cost-cutting measures. Provided that such measures are a response to economic pressures generated by the first contradiction, the first contradiction can aggravate the impact of the second contradiction. O’Connor also suggests that the first contradiction itself can be the result of capital’s cost-cutting measures. Provided that such measures are the result of a supply-side crisis generated by the second contradiction, and that the cost-cutting measures undercut wages and employment to the point of triggering a demand-side crisis, the second contradiction can add to the economic crisis potential generated by the operation of the first contradiction. As pointed out above, however, it is also true that the first contradiction could alleviate the impact of the second contradiction if it led to Keynesian government projects that sought to boost aggregate demand by repairing the conditions of production degraded by the operation of the capitalist economy.

Just as it places limits on capitalism’s ability to contain the impacts of the first contradiction through economic growth, the second contradiction also makes the compulsive productivism and consumerism associated with the third contradiction harder to sustain. At the same time, the compulsive consumerism associated with the third contradiction can help to contain economic crisis tendencies emanating from the first contradiction. Thus, for example, the recognition of this possibility led to the conscious project by capitalist elites to address the threat of overproduction facing the American economy in the 1920s through the construction of a consumerist culture and the formulation of what Hunnicut has aptly described as a ‘gospel of consumption’.

However, things look very different today when we look at the current conjuncture of global capitalism, which like any other is in large part defined by the articulation of capitalism’s three contradictions. As capitalism continues to aggravate global environmental problems, not least global warming, the third contradiction does provide some cause for optimism. If the compulsive productivism and consumerism generated by our social system does not, beyond a certain level of affluence, add to people’s life satisfaction, then the drastic revision of consumerist lifestyles is not so much a sacrifice that present generations have to make for the sake of future generations, but a matter of self-interest for present and future generations alike.
Such a revision would only be possible as part of a transition to a fundamentally different society which would facilitate the translation of increasing technological potential into greater human happiness. It would also make possible a global redistribution of resources that would address the social injustice at the core of the first contradiction, while also reducing the impact of economic activity on the planet. As the curse of capitalism’s second contradiction was lifted, it would become possible to place technology at the service of human development without, at the same time, degrading the natural, cultural and human ‘conditions of production’.

NOTES
3 Beverley Silver and Giovanni Arrighi, ‘Workers North and South’, *Socialist Register* 2001, p. 72.
7 Ibid, p. 200.
8 Ibid.
12 Ibid, p. 308.
13 Ibid.
14 O’Connor, ‘The Second Contradiction’, p. 211.
15 See, for example, ‘Culture, Nature and the Materialist Conception of History’ in *Natural Causes*.
16 O’Connor, ‘The Second Contradiction’, p. 211.
17 Ibid, p. 205.
18 Ibid, p. 203.
19 Ibid.
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22(1), 2000. The rest of the paragraph provides a brief summary of the argument advanced in this article.
23 Ibid, p. 176.
33 O’Connor, *Natural Causes*, p. xiii.
35 O’Connor, *Natural Causes*, p. 150.
38 See, for example, Frank, *Luxury Fever*, p. 92.
40 In *The Overworked American* Schor rightly points out that ‘it is capitalism, not industry, that has been responsible for expanding work schedules’ (p. 164). By the time Schor writes *The Overspent American*, however, a subtle shift in her tone is detectable as a systemic critique of capitalism’s bias against free time is replaced by a discussion of European capitalism as an attractive model capable of reaching a better balance between economic growth and free time. See, Juliet B. Schor, *The Overspent American: Upscaling, Downshifting, and the New Consumer*, New York: Basic Books, 1998, pp. 171–73.
43 Schor, *The Overworked American*, p. 3.
44 These reasons included ‘mechanization in the second half of the nineteenth century, the use of long hours and the concept of employment rent to promote


46 Ibid, p. 47.


49 Schor, *The Overworked American*, pp. 3; 133-34.

50 Ibid, p. 68.


56 Ibid, pp. 81, 91.


58 Even neoclassical economists, such as Staffan Linder, have recognized the link between scarcity of time and vulnerability to advertising. According to Linder: ‘People can be made the victims of persuasion, not because they are irrational, but because they are rational…[T]o obtain complete information, one would have in fact to…spend all one’s time reading consumer reports, and otherwise acquiring information on economic matters. The majority of people will find, on calculation and reflection, that this would be an uneconomic way of allocating their time…By accepting a number of mistakes, one will gain more than sufficient time to offset these mistakes by greater income from work. But as soon as one lacks complete information, one is also exposed to the possibility of being influenced by advertising.’ (See Staffan Burenstam Linder, *The Harried Leisure Class*, New York: Columbia University Press, 1970, pp. 73-4.) As this quotation indicates, Linder assumes that people’s vulnerability to advertising is an outgrowth of their fundamentally rational allocation of time to different
uses. Thus, Linder does not even consider the possibility, discussed earlier in this essay, that, in cultivating a consumerist conception of the good life, advertising may contribute to a sub-optimal allocation of time between work and free time. He also does not consider the fact that scarcity of time is aggravated by the fact that capitalist society forces individuals to devote an unnecessarily large part of their life to the pursuit of basic survival.

60 See Frank, Luxury Fever.
64 Ibid, p. 160.
65 Ibid, p. 162.
66 See Hunnicut, Work Without End.