

autumn 1998

no. 7

# Aufheben

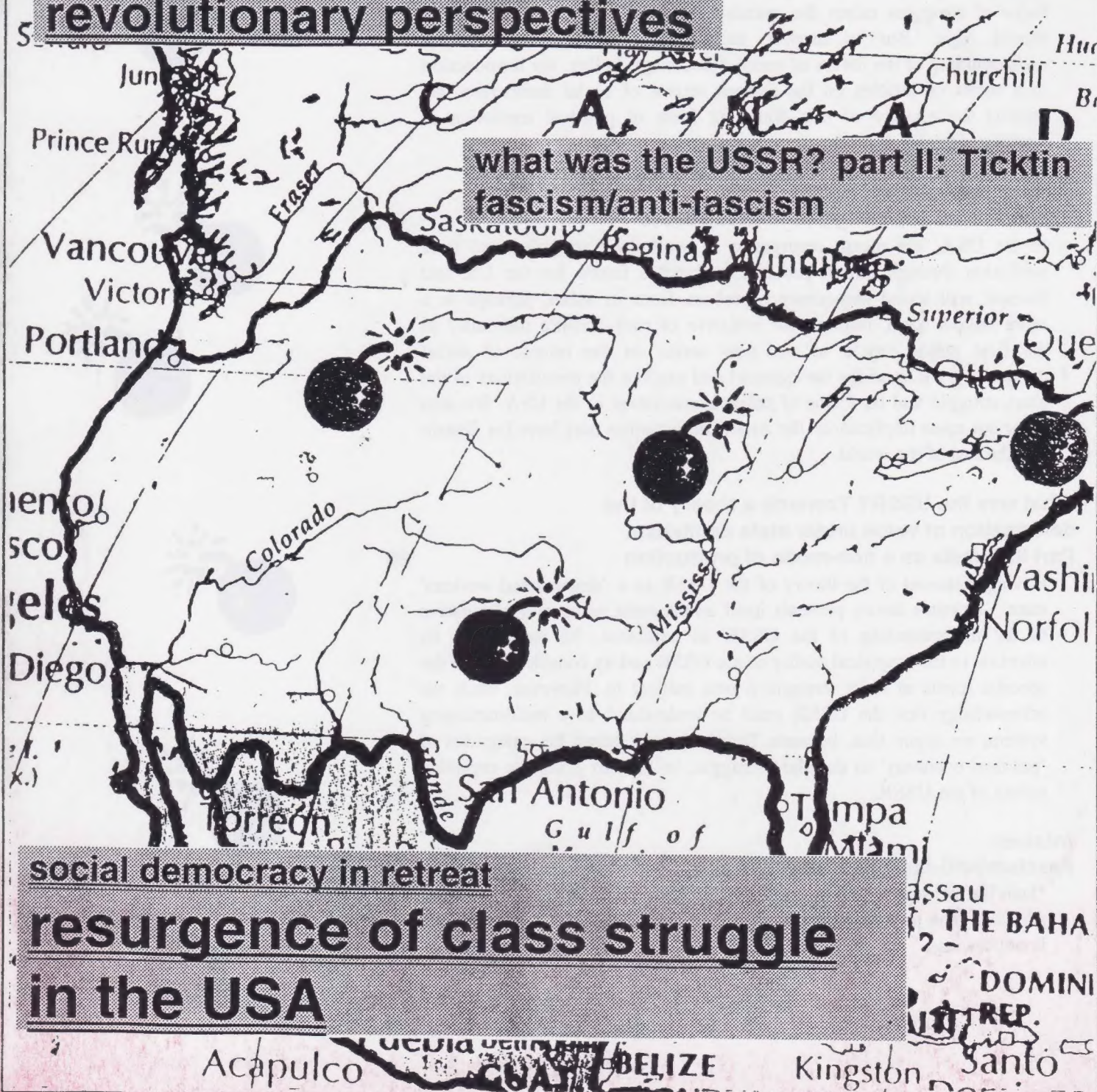
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revolutionary perspectives

what was the USSR? part II: Tickin  
fascism/anti-fascism

social democracy in retreat

resurgence of class struggle  
in the USA





## Aufheben

(past tense: *hob auf*; past participle: *aufgehoben*; noun: *Aufhebung*)

There is no adequate English equivalent to the German word *Aufheben*. In German it can mean 'to pick up', 'to raise', 'to keep', 'to preserve', but also 'to end', 'to abolish', 'to annul'. Hegel exploited this duality of meaning to describe the dialectical process whereby a higher form of thought or being supersedes a lower form, while at the same time 'preserving' its 'moments of truth'. The proletariat's revolutionary negation of capitalism, communism, is an instance of this dialectical movement of supersession, as is the theoretical expression of this movement in the method of critique developed by Marx.

**Aufheben 7**

**autumn 1998**

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Social democracy is in retreat. That its institutions continue to be the focus of struggles raises the question of what we want and how we should fight. But to answer such questions requires a proper understanding of the nature of social democracy. In this, the Introduction to a series of articles on the current retreat of social democracy, we unravel the essence of this dominant form of political mediation of working class needs.

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In the USA, the recent resurgence of workplace struggles and their mediation through unions indicate a possible future for the UK and Europe: will social democracy be reborn from its ashes, perhaps in a more radical form, through the initiative of rank-and-file militants? In the first major article in our new series on the retreat of social democracy, we trace the background and explore the peculiarities of the class struggle and its forms of political mediation in the USA. We also draw out some implications the American situation may have for Britain and the rest of the world.

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Having disposed of the theory of the USSR as a 'degenerated workers' state', Ticktin's theory presents itself as the most persuasive alternative to the understanding of the USSR as capitalist. Its strength is its attention to the empirical reality of the USSR and its consideration of the specific forms of class struggle it was subject to. However, while we acknowledge that the USSR must be understood as a malfunctioning system, we argue that, because Ticktin doesn't relate his categories of 'political economy' to the class struggle, he fails to grasp the capitalist nature of the USSR.

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# Social democracy: No future?

## Introduction to articles on the retreat of social democracy

### Relating to the retreat

The question of how we grasp social democracy and its current retreat is now more than ever a practical one. The institutions of social democracy continue to be the focus of many contemporary struggles. In the UK context, this is exemplified in recurrent conflicts over privatization, employment rights and cuts in welfare spending. Hence we face the question of how we relate to these struggles: what do we want and how should we fight?

The question always arises because our immediate experience as proletarians of the institutions of social democracy is characteristically twofold. Consider the example of the welfare state. In the first place, the organs of the welfare state - benefits, health care, free education - present themselves simply as a means of survival.<sup>1</sup> But our experience of such organs is also one of domination, control, objectification. These institutions do not belong to 'us'; their processing of us often seems to be for alien and bureaucratic aims and purposes - for ourselves only as bourgeois citizens, or in the interests of 'the public', 'the law' or other such abstractions.

Leftists, emphasizing the first aspect of this immediate experience, campaign for the maintenance and extension of the conditions of the post-war settlement: full employment, the restoration of 'trade union rights',<sup>2</sup> reversal of cuts in the health, education and benefits systems, plus a meaningful minimum wage. Yet 'defence of the welfare state' and the other leftist demands represent either adherence to reformist social democracy as progress or a misconceived and disingenuous strategy of 'transitional demands'.

An anarchist or 'ultra-left' analysis often emphasizes instead the second aspect of our immediate experience of social democracy: social democratic institutions as control mechanisms. Some anarchist types claim that, without the welfare state, genuine forms of mutual aid will necessarily develop, and thus that we need not resist attacks on the welfare state. However, while it is undeniable that the welfare state has served to atrophy working class community traditions of mutual aid, given the present absence of growth of militant networks and organs of support, this kind of analysis is simply ahistorical posturing. The restructuring of the welfare state is taking place at the initiative of capital and the bourgeois state - albeit in response to previous rounds of

working class struggle. This is a time of chronic weakness in the working class and revolutionary movement. Simply to accept the present programme of 'welfare reform' is a capitulation to the autonomy of global finance capital and its ideology of neo-liberalism - a force which is currently growing in self-assurance and audacity. This kind of account seems to see the working class as passive and in need of a good kick up the backside to get it to do anything - the more life-threatening the kicking the better. The present New Labour Government's abandonment of social democracy will not in itself bring us closer to communism: only the self-activity of the proletariat can do that.

### The nature of social democracy

The practical questions we face and the one-sidedness of the responses of some so-called revolutionaries each points to the importance of a deeper understanding the nature of social democracy. In previous issues of *Aufheben*, we have already given a basic definition of this social form:<sup>3</sup> social democracy, in all its variants, can be considered as *the representation of the working class as labour within capital and the bourgeois state - politically through social democratic parties, and economically through trades unions.*

Social democracy therefore presupposes both the state and democracy itself. In terms of the state, social democracy is the representation of the working class within *national boundaries*. On the one hand, social democracy sets the interests of a postulated national working class against that of other national working classes. On the other hand, within national boundaries, social democracy seeks to act on behalf not just of the working class, but all classes. Rather than being abolished, the bourgeoisie will be taxed to pay for services for the working class. In terms of democracy, social democracy can be conceptualized as the extension of the principle of democracy - political equality between individual citizens - to the relations between *classes*.

The function of social democratic parties is to represent the working class as wage-labour in the bourgeois political-legislative realm. The social democratic party in power therefore operates to include the interests of the working class within the state form through institutional intervention against some of the excesses of the market.

Trade unions represent the working class economically, as labour-for-capital. Their role is to mediate between the owners of capital and the individual sellers of labour-power as a social category. They negotiate the price of labour-power and they therefore presuppose that labour takes the form of wage-labour - a commodity. Their function is thus premised

<sup>1</sup> We use the term 'survival' in Vaneigem's sense when he distinguishes it from 'living'. See Raoul Vaneigem (1967) *The Revolution of Everyday Life*, London, Rebel Press/Left Bank Books.

<sup>2</sup> In fact, of course, it is mostly workers' ability to strike rather than their right to operate in unions that has been attacked. While union membership has declined overall, the bank-balances of many unions - now operating as little more than mediators of *services* such as insurance - has been enhanced.

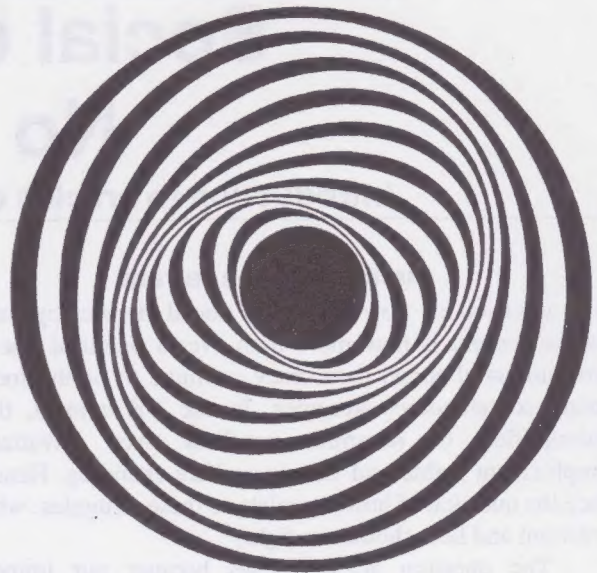
<sup>3</sup> See the opening section of 'Kill or Chill: Analysis of the opposition to the Criminal Justice Bill' (*Aufheben* 4, summer 1995) and the Editorial in *Aufheben* 6 (autumn, 1997).



on alienated labour. As such, trade unions unite the working class in the form that it is constituted by capital - that is, as individual commodity-sellers and by specific trade or industry.<sup>4</sup>

From the working class perspective, what was progressive about social democracy, first as a movement then as a state form,<sup>5</sup> was its recognition of different classes with opposing interests. Social democracy begins from the recognition that it is the whole working class, not just individual owners of the commodity labour-power, that exists in relation to capital. Social democratic parties therefore gave the working class as such an independent voice (i.e., separate from relying on progressive bourgeois parties such as the Liberals and, in the USA, the Democrats). When in power, such parties were seen to be able to transform society to reflect the needs of the workers (*qua* workers) not just those of the bourgeoisie: hence nationalizations, employment rights and welfare state services. The practical importance of social democracy for working class militants, then, was that it provided an organizational form through which concessions could be demanded and won from capital for the national working class as a whole.

Yet in recognizing and representing the working class within capital, social democracy is essentially in a contradictory position. On the one hand, to assert its power against that of the bourgeoisie, social democracy must mobilize the working class: the organs of social democracy are animated by the working class, who join and vote for



parties and unions, and who take part in union-organized industrial action. On the other hand, social democracy must prevent the working class from mobilizing too far - from becoming a class-for-itself - since it must preserve the capital relation. Social democracy must therefore both mobilize and demobilize the working class if it is to represent it. The working class is recognized and enabled to act as an agent but is simultaneously reified. As such, social democracy functions to recuperate proletarian antagonism but is also vulnerable to such antagonism.

Social democracy embodies the tensions of the commodity form itself. The production of commodities requires subjective activity, but also that such subjectivity be subsumed within an alien subject - be alienated and hence objectified within capital.<sup>6</sup> However, such subsumption is necessarily provisional; in order to objectify labour, capital must confront labour-power as a free subject - a free seller of the commodity of labour-power - on a daily basis. The daily reproduction of alienated labour means the daily possibility of rupture in the labour-capital relationship. What is specific to social democracy as a political-ideological expression of the commodity form, however, is that it proposes to extend the bourgeois principle of fair exchange between individual commodity-owners to the relationship between the classes.

### Social democracy as an historical form

The requirement of capital politically to mediate working class needs within itself emerged, developed and reached ascendancy in conjunction with the threat of the proletariat to go beyond itself. To maintain the continued existence of the working class as such, and hence its own existence, capital had to find a form adequate to satisfy some of the desires of the working class from within capital. It is worth pointing out in this context that the requirement to mediate working class needs within capital does not have to be achieved through the social democratic form. Thus Mafia

<sup>4</sup> Demarcation into particular trades and sectors might be said to encourage inter-working class struggles over wage differentials. While this is an example of the channelling by social democracy of proletarian antagonism, struggles over wage differentials may have the potential to go beyond themselves and threaten capital. As we discuss further below, social democracy produces its own grave-diggers.

<sup>5</sup> As we shall see, the historical distinction between social democracy as a movement coming out of the working class and its institutionalization as a form of government is an important one.

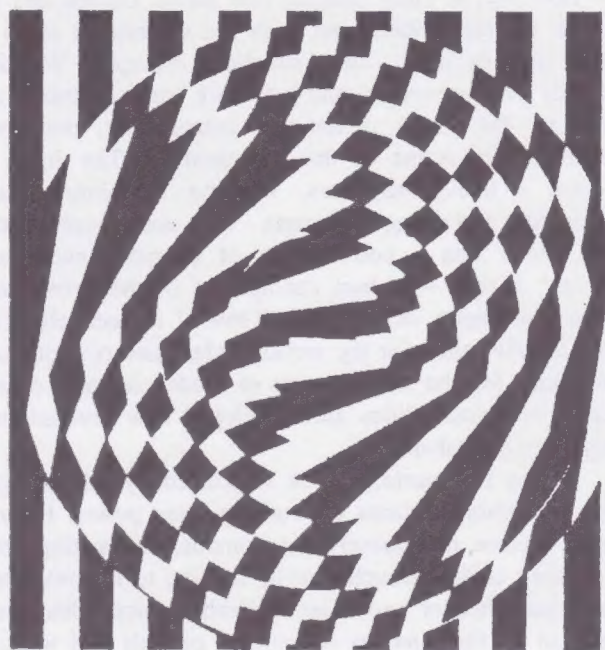
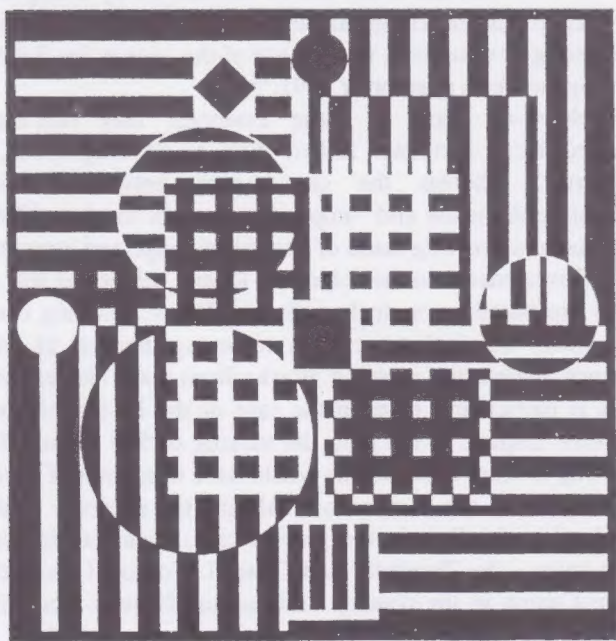
<sup>6</sup> As we discuss further below, the dominant form of social democracy in advanced capitalist states in the post-war boom period has entailed the use of Keynesian economics - harnessing working class subjectivity in the form of demand for commodities as the motor for capital accumulation.



protectionism and philanthropic liberalism each represent alternative forms of capitalist mediation of working class needs.<sup>7</sup> In order to grasp the crisis, retreat and possible future of social democracy, it is therefore necessary to briefly trace out how and why it came to its moment of triumph.

Historically, social democracy emerged in the bourgeois democratic struggle against the reactionary forces in the nineteenth century as the distinct voice of the working class. The political weakness of the bourgeoisie in some places meant that social democracy had to take the lead in the bourgeois revolution - for example in Russia and to a lesser extent in Germany. In 1917, social democracy split between reformists and revolutionaries, although these two wings shared a Second International conception of socialism as state control of the means of production.<sup>8</sup> Following the second world war, the dominant reformist wing of social democracy split again between democratic socialists and the revisionists who sought to reform capitalism through Keynesian economic policies.<sup>9</sup> This latter form of social democracy was the basis of the post-war settlement.

The triumph of social democracy in the UK though the post-war settlement was a crucial class compromise. Pressure



from the working class, and ruling class fear of revolution - in light of the revolutionary waves that swept Europe at the end of first world war - forced the provision of comprehensive and inclusive welfare, full employment, rising real wages, wealth redistribution through taxation, and corporatism - tripartite organizations and trade union rights. The new 'consensus' was both political and economic. By enforcing rising wage levels against individual capitals, the trade unions ensured the rising effective demand necessary for the general accumulation of capital under the Fordist mode of accumulation.

In return for these concessions, the working class as such gave up the desire for revolution. The triumph of social democracy therefore meant that class conflict became both mitigated and fragmented. In the first place, with the provision of comprehensive welfare, the stakes were seen to be lowered: unlike in the 1920s and '30s, losing your job no longer meant the threat of starvation. In the second place, with the working class as such giving up the idea of revolution, a split was created between everyday demands over issues such as wage levels and the 'ideals' of a free society. In the old workers' movement, bread-and-butter demands and 'utopian' desires had been seen as inextricably linked. Now the first was largely institutionalized and de-politicized through the machinery of the trades unions and the second had to find new forms to express itself. The various 'counter-cultural' movements - beatniks and hippies for example - were such forms of expression. Despite the truth of their critique of capital,<sup>10</sup> all the time these movements remained largely estranged from the working class *qua* the working class, they developed no means of realizing their desires for 'freedom' beyond travelling, drugs, communes, festivals, mysticism etc.

<sup>7</sup> Indeed, in the UK, it was enlightened (and threatened) liberalism in the form of the Liberal Party that made most of the early concessions to the working class, paving the way for the full development of social democracy, before the Labour Party was mature enough to do these things for itself.

<sup>8</sup> However, this well-known split in social democracy between reformists and revolutionaries obscures a more interesting current - the communist left - that broke from social democracy at this time but which also came to reject the radical social democracy promoted by Moscow. See our forthcoming article on left communist accounts of the USSR.

<sup>9</sup> The former existed as a meaningful wing within the Labour Party until the 1980s. In Europe, the situation was slightly different, but a similar 'democratic socialism' is expressed in the Communist Parties and in particular their 'Eurocommunist' wings.

<sup>10</sup> For a useful discussion of the antagonism and limits of the 'counter-cultural' movements, see 'On the poverty of hip life' in Ken Knabb's *Public Secrets* (1997, Berkeley: Bureau of Public Secrets).



However, as class struggle rose across Europe and the USA in the late 1960s, and with the subsequent crisis of capital accumulation, this situation changed. Workers' demands for more money and less work began to exceed the limits of the social democratic compromise, and even questioned the terms of this compromise. The fruits of Fordism - televisions, cars, washing machines, steady employment and rising real wages - were not enough. At this point, there was a convergence of everyday needs and 'utopian' desires - as best exemplified in the French and Italian movements of 1968 and 1969-77 respectively. This was a creative time for the working class and revolutionary movement, for the convergence of tendencies and desires opened new possibilities and developed new revolutionary analyses of capitalism.

Across the world, capital responded by taking flight from traditional bastions of working class power. Finance capital became increasingly autonomous, outflanking areas of working class entrenchment by shifting to regions where labour was cheaper and more malleable. Social democracy served to tie the interests of national capitals and working classes; but, with the upsurge in working class struggles against the social democratic compromise, capital in the form of finance capital began to free itself from national boundaries and their particular regulations and restrictions. This became reflected in the ideas of those politicians who recognized that the working class and the social democratic forms in which its needs were expressed had to be confronted. The politics of 'neo-liberalism' is thus the ideological expression of this new freedom of finance capital.

In the UK, the flight of finance capital led to crisis for sectors of the British economy, most notably in manufacture and heavy industry. Unemployment rose, and it became one of the key weapons used by the Thatcher Government explicitly to restructure the terms of the post-war settlement. The defeat of the miners, the strongest section of the working class, was the turning point in this project.

The subsequent development and election of 'New Labour' represents the recognition by the political wing of British social democracy that the renegotiation of the post-war settlement begun by Thatcher et al. was irreversible.<sup>11</sup> The project of 'New Labour' is to create a new 'one nation' consensus on the basis of the 'neo-liberal' encroachment on wages, conditions and welfare.

### The future of social democracy?

Does the retreat of social democracy mean that capital will develop new forms of mediation of working class needs? Certainly, this is New Labour's hope as they scramble around for ideological clothes to gloss over the brutal indecency of 'neo-liberalism'. Appeals to patriotism, and use of terms

such as 'communitarianism' and 'third way' are examples of this.<sup>12</sup>

Or will the rejection of social democracy by the bourgeoisie see its eventual re-emergence from within the working class - perhaps in a more radical form? This is what the left is hoping. For our part, of course, we want to see new forms of struggle, politicizing everyday needs and connecting them with revolutionary desires, developing in the space vacated by both social democracy and Stalinism.

In the UK context, there is only limited evidence to support both the leftist analysis and our own aspirations. The most iconic industrial disputes of recent years - Magnet, Hillingdon and Merseyside - took place with little or no official union support, despite the wishes of their participants. These small groups of workers in struggle instead had to approach other workers directly, and to look to others outside of the unions and workplaces - most notably Reclaim the Streets (RTS) - to find the forms and networks of support necessary for their struggles.<sup>13</sup> Similarly, London tube workers in the Rail, Maritime and Transport (RMT) union looked to RTS occupations and Critical Mass bike blockades for support in 1996. In January 1997, 2000 tube drivers took militant direct action themselves by occupying the Department of Transport building at Victoria. A further interesting development was the use of the 'sickie' by British Airways workers in summer 1997.<sup>14</sup>

However, some of these examples may represent isolated local incidents rather than a growing trend.<sup>15</sup> Moreover, whereas the convergence between 'basic' workplace demands and 'utopian' desires in the late 1960s was due to a growing sense of possibility, hope and strength, with Governments on the defensive, today's celebrated acts of unity are based on mutual weakness. Today, working class and small 'utopian' movements come together out of self-defence against the growing attacks from state and capital. This is particularly clear in the case of the Liverpool dock workers' dispute. In the past, the sacking of 500 dockers for refusing to cross a picket line would have brought half of the major ports in the country to a halt and the economy to the brink of crisis. But, in the present case, even the dockers' own union - the Transport and General Workers Union, the largest union in the country - refused to officially recognize the dispute for fear of legal penalties. It was this lack of

<sup>12</sup> Strictly speaking, the forms of mediation hankered after by New Labour are not new at all; New Labour are redefining themselves as an old-fashioned liberal party.

<sup>13</sup> The space we give here to links between these groups and non-workplace struggles should not obscure the fact that the direct links with other workers were typically far more important. For example, in the Merseyside case, the boycott actions of dock workers in other countries regularly put economic pressure on the Merseyside Docks and Harbour Company.

<sup>14</sup> The sickie is catching. The UK Cabinet Office recently reported that public sector sickies cost £3 billion last year (*Guardian*, 15 August 1998).

<sup>15</sup> For example, the London executive of the RMT union, dominated as it is by the SLP, is politically distinct from the union as a whole; and some of the link-ups seem due to personal relations between a small number of individuals rather than reflecting a militant mood in the union membership as whole.

<sup>11</sup> By no means all of those in the British labour movement accepted the 'inevitable'. A number remained within the Labour Party. Some left and formed the Socialist Labour Party (SLP), referred to with some accuracy by some who remained within the Labour Party as a 'stillborn Stalinist sect'.



traditional trade union support within Britain that led the dockers to make the links with the small but high-profile militant ecological movement and to other dockers abroad.

In sum, the retreat of social democracy has so far seen only a limited convergence of struggles over bread-and-butter issues with the desire for revolutionary social change. Thus while the working class (*qua* working class) gains preserved within social democracy are being rapidly eroded, there is as yet no sign of the return of what was lost with the triumph of social democracy.

### The present series of articles

Class struggle today appears fragmented and the working class itself relatively weak. But the tendency to antagonism is of the essence of the capital relation, and inevitably appears. The issue then becomes one of grasping and relating to the trajectory of antagonistic forms from a communist perspective.

Will working class struggles over the institutions of social democracy serve as the basis for a resurgence of this social form? Any successes, however radical, might legitimize a new class compromise and thus marginalize any revolutionary struggle. The present crisis and weakness of the left means that it is today less of a threat to the class struggle. Indeed, there is little at the present time for the left to recuperate! But, of course, working class struggles may produce their own leftism; so the weakness of existing leftist organizations should not lead us to assume a clear path to communism. Social democracy could still be revived as the dominant form of working class mobilization.

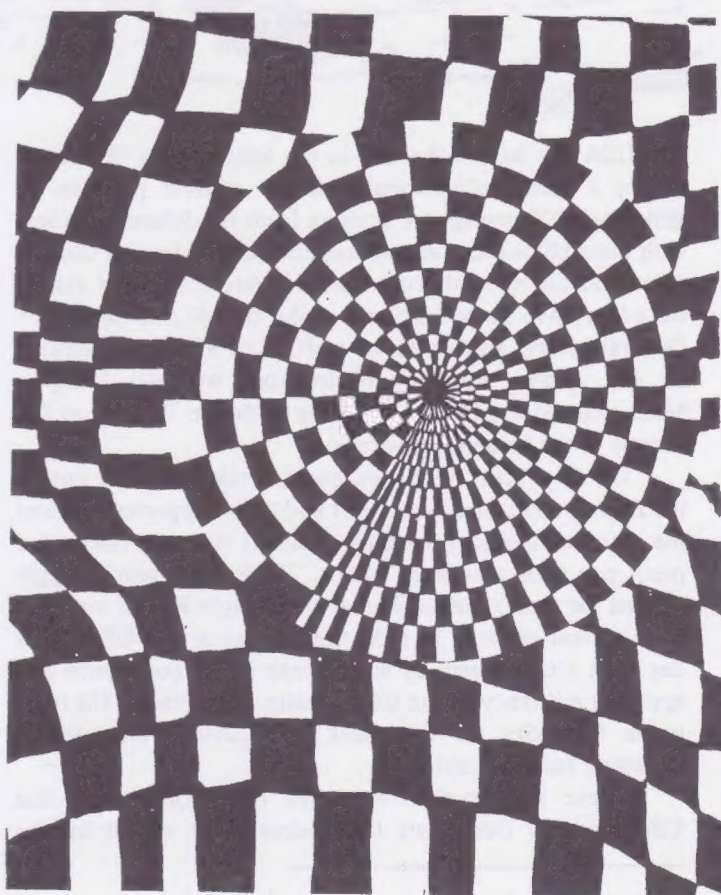
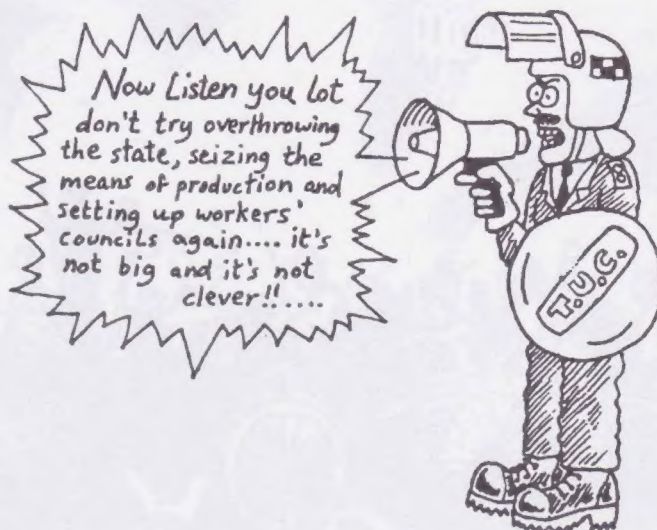
On the other hand, could struggles over the 'gains' of social democracy, which typically revolve around mundane needs, promote militant activity more generally, develop new movements, and take us beyond both social democracy and its 'neo-liberal' counterpart? The retreat has been taking place for over 20 years, but there is still much at stake. Understanding social democracy and its dynamic remains an urgent task.

With this issue of *Aufheben*, we therefore begin a series of articles on the retreat of social democracy.<sup>16</sup> We have raised rather than answered the question of how we should respond to the various skirmishes and struggles taking place over the retreat of social democracy. This is because we believe that each type of struggle needs to be analysed in itself and in some depth. This is the aim of the present series.

We also recognize that the present Introduction has focused largely on the UK, which is in many ways a special case. In certain other European countries, for example, the Communist Party has assumed a far more important role than here in entrenching social democracy; this might help explain the fact that social democracy remains stronger in certain other countries across the channel. There is a need, therefore, to look at the struggle over social democratic

organs and institutions in the form of analyses of particular cases.

For all its peculiarities, however, the UK case is seen by some European governments as a model for their own restructuring, and may indicate a possible future for them. The restructuring in the UK, in turn, is modelled on that in the USA, the subject of our first major article in the present series. Social democracy was never so well established in the USA as in most of Europe. Yet at the present time, both unions and militant workplace struggles in the USA are currently undergoing a renaissance.



<sup>16</sup> Our recent text *Dole Autonomy versus the Re-imposition of Work: Analysis of the Current Tendency to Workfare in the UK* is intended as a further contribution to an understanding of the retreat of social democracy. See the back page of this issue of *Aufheben* for details.



# State of the unions

Recent US labour struggles in perspective



The USA has beaten the UK in the league table of strikes. Hardly a great achievement, but not without promise. A strike by 2,000 newspaper workers from six different unions, with mass blockades, office occupations, invasions of council meetings, battles with cops. United Parcel Services (UPS) forced to cave in by national strike of 185,000 workers.<sup>1</sup> General Motors shut down by a strike of 9,200 autoworkers at one plant. 40,000 construction workers bringing Manhattan to a halt and clashing with the NYPD, to the dismay of the union bureaucracy.

On July 12th 1998, newspaper workers locked out by the *Detroit News* and *Free Press* and their supporters marked the third anniversary of their walkout over contracts and merit pay with a strikers' picnic. Their three-year struggle against the media giants Gannet and Knight Ridder was part of a general upsurge in industrial unrest in the USA. This has been accompanied by an increase in the confidence and apparent militancy of the traditionally conservative US trade union hierarchy, as they seek to represent the subjects emerging from this struggle.

There is a certain irony in this, considering that Clinton's new Democrats have become the model for the

Labour Party following the retreat of social democracy in the UK. As we shall see, the recent wave of strikes and labour struggles in the USA indicates a possible revival of social democracy. Is this really the case? We will investigate this through a close examination of the history of the class struggle in the US, allowing us to draw out some implications for Britain and the rest of the world, particularly in the light of the recent financial crises.

## American English: Labour and the Democrats

The USA hardly seems like the ideal choice for an analysis of the future of social democracy, but Blair's Americanization of the Labour Party, if nothing else, makes an analysis of recent developments in the USA necessary. It was in Philadelphia, the site of a recent militant transport workers' strike, that early last century a group of artisans formed the world's first embryonic Labour Party.<sup>2</sup> There have been several subsequent abortive attempts to achieve an independent

<sup>2</sup> Mike Davis, *Prisoners of the American Dream: Politics and Economics in the History of the US Working Class* (Verso editions, the Haymarket series, 1986).

<sup>1</sup> Though this is debatable, as we acknowledge below.



political representation for the working class within the state, most recently in 1996. But, unlike in Britain, a mass Labour Party capable of assuming the reigns of government and delivering reforms to the working class has never emerged within the USA. With the help of the unions, the Democrats have tended to divert attempts to form a mass reformist workers' party and have performed the social democratic function of integrating the US working class within the state, in particular through the reforms embodied in Roosevelt's New Deal in the 1930s and Johnson's Great Society of the 1960s.<sup>3</sup>

of 'tough love', and since his election, the dismantling of the welfare state, the criminalization of the poor and unemployed, reductions of real wages<sup>5</sup> and the imposition of flexible labour regimes have all been stepped up.

It was not long before Blair as Shadow Home Secretary spoke of being 'tough on crime, and tough on the causes of crime'. Once elected leader, he expressed his admiration for Thatcher, and showed his commitment to her legacy by marginalizing the last remnants of social democracy within the Labour Party. When New Labour won the general election, it was clear that the tendencies in Clinton's America



The Americanization of the Labour Party reflects the Democrats' recent success in reversing the defeats of the Reagan era. However, the Labour Party's political and ideological links with the Democrats did not begin with Blair. For example, the 1964-70 Labour Government's loyalty to the Kennedy and Johnson administrations was embodied in its adoption of Polaris and its support for the Vietnam war. For its part the US bourgeoisie has sought to influence the development of the Labour Party and British trade unions in a right-wing direction through 'Atlanticist' bodies.<sup>4</sup> Blair looks to the Democrats as a model for a Labour Party divorced from the unions, but ironically the recent labour upsurge is forcing the Democrats towards a more pro-union position.

Bill Clinton's triumph as the first Democrat in the White House for over a decade was a signal to the Labour Party of how to break the Tory stranglehold on British politics, already weakened by the poll tax revolt and the schism over Europe. Clinton had campaigned on a platform

outlined above were likely to be duplicated here. So the 'modernizers' of the Labour Party have been trying to turn a social democratic party into a bourgeois liberal party, taking as their inspiration a bourgeois liberal party which became, under pressure from the struggles of the working class, a 'surrogate social democratic party'<sup>6</sup>. In the following section, we examine the historic peculiarities which gave rise to this situation in the USA.

### **Social democracy, American style! A labour movement in search of a labour party**

#### **'Exceptionalism'**

Marx, Engels, Lenin, Kautsky and Trotsky were all fascinated by the possibilities for class struggle in the USA. The present analysis must avoid orthodox Marxism's tendency to equate the political maturity of the working class with the development of a mass workers' party; but it must nevertheless acknowledge the common leftist explanation for the lack of a mass labour, social democratic or Communist Party in America: the belief that US working class is a

<sup>3</sup> The Great Society reforms extended US welfare provision reflecting the new demands made on the state by the Civil Rights movement. We examine the New Deal in more detail below.

<sup>4</sup> These bodies were set up by the US state department due to perceived links with the USSR within the British 'labour movement'.

<sup>5</sup> Between 1989 and 1993, median family incomes in the USA fell by \$2,737, a trend that has continued under Clinton (*Guardian*, 20th February, 1995).

<sup>6</sup> See Davis, *op. cit.*



special case. American working class exceptionalism has been attributed to the frontier, 'racial' divisions and continuous immigration, agrarian-democratic ideologies bound up with petit bourgeois property and the international hegemony of US capital.<sup>7</sup>

antagonistic to capital. But when the supply of free land ran out and the wage relation became absolute, the ideology of frontier democracy persisted<sup>8</sup> and along with it the tendency to individualism in the American working class. By the use of internal migration, US capital was able to impose a greater



The early adherents of these kind of explanations predicted that once the frontier was closed, immigration restricted, petit bourgeoisie expropriated by monopoly capital and US capital in decline, an economic crisis would lead to escalating class conflict and the emergence of a mass workers' party. But how did the orthodox Marxist crystal ball compare with the reality?

#### The ideology of frontier democracy

In the nineteenth century, American workers had a get-out clause from the wage relation in the form of the frontier, which enabled workers to join the wagon-train out west and stake out their own piece of land. This internal migration eased class tensions in several ways. It enabled some workers to participate in the expropriation of the indigenous population. It also softened the wage relation, and inhibited the development of a unified industrial proletariat

malleability and fluidity of labour, allowing a more efficient reduction of the working class simply to labour power, leading Marx to comment that the US working class was the closest to abstract labour.<sup>9</sup>

Thus 'America' has become synonymous with capitalism; and communism, socialism or any kind of collective working class organization was denounced as 'un-American'. So the American Plan was a term for the union busting 'open shop'; and socialism is widely seen as an ideology alien to the USA - even by the left: 'American workers have rarely gone beyond a "libertarian populism"

<sup>7</sup> Mike Davis, *op. cit.* See also Noel Ignatiev, *Introduction to the United States: An Autonomist Political History* (Final Conflict Publishing, 1992): 'Why has the US, alone among the developed countries, failed to produce a mass labor or social-democratic party? Is American prosperity so overwhelming or are US workers so backward that they have felt need to take any initiative that would lead them out of the two main capitalist parties?'

<sup>8</sup> The persistence was due to the relatively greater possibility of social mobility that has existed in the USA compared to Europe. Whereas in Europe, the bourgeoisie's power grew up within pre-existing class privileges which restricted class mobility, in the USA, due to bourgeois society starting from an almost clean slate, the egalitarianism and freedom of money had a free hand.

<sup>9</sup> '...nowhere are people so indifferent to the type of work they do as in the United States, nowhere are people so aware that their labour always produces the same product, money, and nowhere do they pass through the most divergent kinds of work with the same nonchalance.' *Capital* Vol. 1, p. 1014 (Penguin edition).





which is part syndicalism, part reformism, part socialism and part religion.<sup>10</sup>

#### Class violence and the tendency to labour racketeering

In the introductory article in this issue of *Aufheben*, we mentioned that Mafia protectionism and liberal philanthropy each represent possible alternative methods of mediating working class needs, as distinct from social democracy. In the USA, both of these forms played a part in the mediation of the class struggle by trades unions. In the days before the social democratization of the Democrat Party became the preferred form of mediation, the tendency towards 'labour racketeering' had emerged to mediate class violence.<sup>11</sup>

The crisis of the 1870s triggered a wave of bitter class struggle over the length of the working day, beginning with wildcat rail strikes and rioting by the unemployed in Baltimore, and spreading as far as Chicago and San Francisco. The agitation for the eight hour day produced a new wave of trade unionism in the form of the Knights of Labor (KofL). In 1884, Engels regarded the emergence of the

KofL as the birth of mass labour politics in the USA.<sup>12</sup> Workers rushed into the KofL after their victory against Jay Gould's Wabash railroad. But, with the industrial depression of 1884-6, the Socialist Labour Party's defeat in the 1885 election in Chicago and the Chicago KofL executive's last minute retreat from the Mayday general strike for the eight hour day, the prospects for American social democracy on the emerging European model looked bleak.

Nevertheless class violence continued, not least that by the US bourgeoisie itself in bloody reprisals against the working class. Not all of the bourgeoisie were as blatant as Jay Gould when he boasted that he could 'hire one half of the working class to kill the other half', but the history of American labour struggles is littered with massacres by cops, soldiers and hired goon squads. Those liberals who insist that armed violence is the preserve of subjects operating under dictatorships would do well to study the history of the USA, whose political system has always been democratic, but whose industrial relations in the '20s were the envy of Hitler. American workers have frequently had to resort to their guns where they haven't been disarmed by their leaders.

As we discuss further below, the AFL-CIO, the equivalent of Britain's TUC, is the amalgamation of two rival organizations, the American Federation of Labour (AFL) and the Congress of Industrial Organizations (CIO). The AFL's way of mediating proletarian violence was to specialize it,

<sup>10</sup> Letter from Bob Rossi in *Discussion Bulletin* (DB) 88, March-April 1998. This was one of two pieces in response to Dave Stratman's 'Strategy for Labor' in DB 87, in which he describes the labour defeats of the preceding 25 years as 'a litany of rank-and-file heroism and AFL-CIO betrayal'. Both respondents offer a more pessimistic view of the American working class than Stratman's.

<sup>11</sup> Louis Adamic, *Dynamite: The Story of Class Violence in America* (1963, Harper and Brothers).

<sup>12</sup> Mike Davis, *op. cit.*



exemplifying a long-standing tradition of links between US trade unions and organized crime. Though the AFL's founding father Samuel Gompers said he was 'opposed to violence', he refused to grass up rioters. But after the McNamaras confessed to the 1911 *LA Times* bombing, linking the crime with union officials, the AFL swung to the right again in an attempt to regain its respectability with the US bourgeoisie. Despite this, however, the links between the unions and organized crime continued until the 1970s, only declining in recent years.

### 'Race', immigration and class composition

Until the 1890s, America's doors were open to the millions of workers displaced from the Old World by dispossession from the land and by their defeats in industrial struggles, as well as to those seeking to improve their standard of living in what had been promised to them as a land of plenty. So while the US bourgeoisie took a dim view of the left-wing and social democratic ideologies emerging in Europe, it was compelled by its own need for living labour to import them. Unlimited immigration allowed the early US bourgeoisie to import new labour-power to replace that lost to the frontier and to compete with the 'native' labour remaining. However, this was at the price of attracting more working class militants, experienced in the class struggle.

In *Dynamite: The Story of Class Violence in America*, Louis Adamic mentions the role of Irish factory and harbour workers in the riots in early nineteenth century New York and Pennsylvania. The Irish immigrants also brought the militant tactics of the Molly Maguires gangs, notorious for bumping off landlords who evicted peasants. When the MMs arrived in the Pennsylvania coalfields, they took to dispatching mine owners instead!

The ethnically diverse composition of the US proletariat could lead to intra-class conflict as much as to anti-capitalist class struggle. In the USA, the division of the working class on 'racial' and religious lines, together with the vast distances between different concentrations of population, have hindered both the formation of a class-for-itself on the national terrain and the emergence of a mass labour party to represent it.<sup>13</sup> Racism has been the spectre haunting the US proletariat ever since the seventeenth century, when concessions to European bonded labourers were used by the colonial rulers to help quell the bloody slave revolts by both European and African labourers. Thus the American working class was split into a black slave class in the South and a white wage-labouring class in the North. The early trade unions tended to represent the interests of the latter section, and feared competition from the newly freed slaves, leading to racial segregation within the trade unions.

The temporary convergence of the interests of Northern capital with those of the Southern slaves led to the temporary emergence of two mutually hostile forms of working class representation. At the end of the Civil War, the newly enfranchised former slaves were attempting to turn the Republican Party in many places into a *de facto* labour party through the post-Civil War reconstruction governments. Meanwhile, in the North, white workers were looking to the Workingmens' Party to oppose the Republicans whose interests they equated with their bosses. The failure of the white working class to find common cause with the Southern blacks and turn the abolition of slave labour into the abolition of wage labour, allowed the Northern bourgeoisie to withdraw troops from the South to suppress the struggles of the rail strikers who had seized the terminals from Baltimore to Chicago in 1877, and had established mass workers' assemblies in St. Louis.<sup>14</sup>

Since then, the descendants of the former slaves have inherited the role of a lower caste within the US working class: 'the last hired, and the first fired'. Many were taken on by Ford who saw them as a compliant labour force of strike-breakers, and much of the white working class resentment of them centred on their perceived tendency to scab. However, once incorporated into the workforce, they refused this role. For example, black rank-and-file militants led mass wildcat walkouts in the 1940s and formed the League of Revolutionary Black Workers (LRBW)<sup>15</sup> in Detroit in the 1960s.

But if the black-white division has been a crucial part of working class weakness, there have been others, such as between 'native' (Protestant) and immigrant (mainly Catholic) labour. The early crafts unions of the American Federation of Labour (AFL) tended to represent the interests of white Protestant workers, a kind of US aristocracy of labour distinguished from the unskilled immigrant labour by the ability to use their skills as the counter in collective bargaining. In 1912, Lenin saw Eugene Debs's electoral achievements for the Socialist Party as the breakthrough for mass labour politics in the USA, but it turned out to be the high watermark for the SP, which collapsed due to intra-class conflict between white, Protestant craft workers and unskilled, non-union black or immigrant workers.<sup>16</sup> However these latter were already in the process of developing a new union of all workers dedicated to the overthrow of capitalism!

### From revolutionary syndicalism to reformist industrial unions

As craft unions became increasingly irrelevant due to the move from the formal to the real subsumption of the labour process, the new unions emerged which preserved their bargaining role by recruiting the black, immigrant and

<sup>13</sup> Noel Ignatiev's *Introduction to the United States: An Autonomist Political History* suggests a Faustian bargain between white workers and the US bourgeoisie, at the expense of black workers. Revolutionary southern blacks forced Lincoln to rally Northern industrial capital behind the abolition of slavery, but they were abandoned to lynch mobs after the reconstruction period. When blacks moved to the Northern cities they faced the entrenched racism of the unions.

<sup>14</sup> Ignatiev, *op. cit.*

<sup>15</sup> The LRBW was a 'federation of groups from various industrial plants in the Detroit area who had organized themselves outside the union structures and built links with the black schools and community, as part of a conscious effort to link Marxism with the Black Revolution.' (Ignatiev, *op. cit.*)

<sup>16</sup> Davis, *op. cit.*



female labour despised by the AFL. To represent the class interests of these new subjects, a union needed to recruit and organize across an entire industry rather than across a craft. German brewery workers displaced by Bismarck's anti-socialist laws pioneered this form, after realizing that the brewers played such a limited role in the industry that the union would have to represent all brewery workers to be effective.

The industrial union form became more widespread with the rise of American revolutionary syndicalism in the shape of the Industrial Workers of the World (IWW), a union of all industrial workers<sup>17</sup> with the stated aim of abolishing the wages system. Speakers at its first convention in 1906 hailed the previous year's revolution in Russia, and its members included workers in exile from Russia following the repression of that revolution. Two years later, the direct action tendency won control of the IWW, resolving the contradiction between these elements and the more electoralist faction associated with Daniel DeLeon and Eugene Debs. With its base in 'blanket stiffers' (migrant workers), the ideology of the IWW was hostile towards social democracy; it even refused to enter into written agreements with the bosses.<sup>18</sup>



<sup>17</sup> In fact, the IWW's strength was not so much in the industrial North, where its leaders tended to come from, but in the casual and migrant workers of the West.

<sup>18</sup> The case of the IWW shows us that the weakness of social democratic forms in the USA should not make one see the American working class as simply lagging behind their European brothers and sisters. As a form of organization, the IWW was exceptionally radical and important. When, at the end of the first world war, revolutionary workers in Europe broke from their social democratic parties and unions, they were inspired by and looked to the IWW as a model. See for example Sergio Bologna's 'Class composition and the theory of the party at the origin of the workers' councils movement' in *Telos* 13, 14-21 (1972).

Their actions launched daring assaults on capitalist production and circulation in the form of sit-in strikes, mass pickets and sabotage. 8,000 IWW strikers at McKees Rocks drove the Pennsylvania Cossacks off the streets in bloody gun battles. The outstanding incident in the early IWW history, the textile strike at Lawrence in 1912, started as a wildcat strike. Women workers in the Massachusetts textile centre walked out spontaneously smashing the machinery of anyone who tried to scab. Even when the union was in decline, IWW members were instrumental in the success of the Seattle general strike in 1919.

The IWW were one of the most radical labour organizations in the world at this time. They committed themselves to a general strike if America entered the first world war. When America did enter the war, they were unable to deliver on this. Nonetheless, the AFL helped to get hundreds of wobblies imprisoned to show that, unlike the IWW, they were an all-American union bureaucracy that US capital could do business with. The US bourgeoisie saw in the IWW the possibility of their own expropriation. They feared that the revolutionary wave sweeping Europe following 1917 might reach the USA. The demand for timber in the war industries escalated the suppression of the IWW, as armed gangs of patriotic businessmen ransacked IWW halls and offices. The backlash continued in Bisbee, with the forced deportation of striking miners from Arizona the same summer. Though the IWW itself was crushed by a combination of vigilantism, infiltration and outright state repression, the industrial union form it had established blossomed after the first world war.

Once the IWW was crushed, the way was open for the emergence of inclusive and racially integrated (but reformist) industrial unions under the umbrella of the CIO. Following the disintegration of the IWW, many of its tactics, such as the 'sit-down' strike, were adopted by militants in the reformist industrial unions of the CIO. Despite the IWW's rejection of political representation in favour of direct action, many ex-wobblies became the backbone of the US Communist Party (CPUSA), whose role in the development of the CIO we discuss below. In the words of a veteran wobbly, 'Although we never became a major force in industry, we definitely showed the way for the CIO. Don't think it's an accident that the United Auto Workers adopted "Solidarity Forever" as their main song'.<sup>19</sup> The IWW had tried to create 'a new world in the shell of the old', whereas the new industrial unions helped reshape the old world in the shell of the new.

### Ford and Fordism

Following the first world war, Ford's production methods became the motor of the 1920s boom. The relative success of the struggle of the working class to secure more free time at the expense of absolute surplus-value production gave rise to a mode of accumulation based on relative surplus-value in which rising productivity was rewarded with high

<sup>19</sup> Stewart Bird, Dan Georgakas and Deborah Shaffer, *Solidarity Forever. The IWW: An Oral History of the Wobblies* (1987, Lawrence & Wishart, London). 'Solidarity Forever' was an IWW song.



wages and increased access to consumer goods. The cutting of prices meant that not only could Ford manufacture more Model Ts, but he could sell them to the workers: Fordism allowed the integration of mass production with mass consumption.

However, in the face of competition from other more established firms who adopted his production methods, Ford was compelled to impose speed-ups on the production line, and wages were driven down by the intense competition for jobs at Ford's plant. The speed-ups in turn enabled Ford to sack more workers. Despite this intensification of work enforced by his private police force, Ford's initial phase of expansion fell foul of the Great Depression.

Thus Ford began to show how working class needs could be turned into the motor of accumulation, but the Fordist mode of accumulation could not become fully established without its counterpart in the realm of social capital: Keynesian demand management to keep mass consumption in line with mass production.



#### The social democratization of the Democrats

In the early 1930s, the crisis in the social and political institutions of the US bourgeoisie, coupled with the disorderly flouting of the laws of private property by the unemployed and dispossessed, called for drastic action. To Franklin D. Roosevelt, the survival of capitalism itself was in the balance. His New Deal was the culmination of a political realignment of US bourgeoisie, which had seen Roosevelt switch his alignment from Republican to Democrat. The New Deal coalition expressed a social consensus on the part of those sections of the bourgeoisie who favoured state intervention and corporatism. This new tendency within American capital sought to replace the traditional policy of confrontation with one of recuperating working class

struggles as the motor of accumulation to 'get America working again'.

However, the New Deal needed the input of the new CIO unions to mobilize the working class behind Roosevelt's electioneering. This involved the subordination of the needs of individual capitals to those of social capital, particularly in large-scale industries such as steel, rubber, electrics, and motors. These industries were crucial to the emerging Fordist mode of accumulation which underpinned the new class compromise, but were largely non-unionized before the Depression. The New Deal corporatism embodied in Section 7a of the National Recovery Act (NRA) and the Wagner Act granted concessions on union recognition and collective bargaining. However it was one thing for Roosevelt to pass a law, and quite another to impose it on the bosses, particularly the steel barons who were virtually a law unto themselves, complete with private armies and 'company towns'. The new laws had to be contested in the work-place, leading to the sit-down strike fever of 1936-7, with its basis in second-generation immigrants excluded from the '20s boom then thrown onto the breadline in the early '30s. This new wave of struggle was launched by autonomous shop committees in the rubber, electric and motor industries. At Akron, a union official was shouted down when he tried to end the strike and stop the strike-wave spreading. At Flint, General Motors body-plant workers twice forced police back when they attempted to attack the occupied plant, and forced the United Autoworkers (UAW) and CIO leadership to back them. By spring 1937, there were 477 sit-down strikes involving 400,000 workers.<sup>20</sup>

Nonetheless, these struggles were still more amenable to union control than those of the unemployed during the Great Depression. CPUSA-controlled unemployed councils were organizing raids on restaurants, fights against bailiffs and mass hunger marches which turned into riots in Detroit, New York and Cleveland. But the CPUSA also played its part in the triumph of social democracy, as did other Communist Parties in other countries. In 1935 the New Deal was losing the support of the progressive section of the bourgeoisie committed to corporatism, and Roosevelt needed the support of the four million workers in the CIO in order to win the 1936 presidential election. In return for support from the National Labour Relations Board (NLRB), set up under the Wagner Act, the CIO helped to abort attempts by the workers to establish an independent social democratic party. The CPUSA fell in with the CIO leadership, and the militants of Flint were mobilized behind Roosevelt's election campaign. The CIO leadership also managed to foil attempts at an occupation at Chrysler and a general strike in Detroit. But the convergence of the interests of the industrial working class as represented by the CIO bureaucracy with those of the cotton plantocracy, presupposed the exclusion of the cotton tenant farmers and sharecroppers from the New Deal. 'The party of the northern liberals was also the party of the southern lynchers.'<sup>21</sup>

<sup>20</sup> Davis, *op. cit.*

<sup>21</sup> Ignatiev, *op. cit.* Whereas the industrial working class could be mobilized to vote for the New Deal, the sharecroppers of the south were disenfranchised by a poll tax. However, the rural poor began



For some on the left, the lack of a mass labour party and of socialist ideology is symptomatic of the political immaturity of the US working class. But lack of such a party is not the same as a lack of class struggle. Quite the reverse, if we use the level of class violence as our yardstick rather than the level of reformism! In US labour history, as elsewhere, upsurges in class struggle are often followed by the emergence of social democratic forms - rather than the other way round. The crisis of the early '30s was only resolved in favour of capital by the Democrats' CIO-assisted programme of Keynesian reflation and demand management, which it only really achieved with the outbreak of the war. Commenting on the unemployed Pennsylvania miners who excavated and distributed coal from company land during the Depression, Paul Mattick wrote:

*The bootleg miners have shown in a rather clear and impressive way, that the so-much bewailed absence of a socialist ideology on the part of the workers really does not prevent workers from acting quite anti-capitalistically, quite in accordance with their needs. Breaking through the confines of private property in order to live up to their own necessities, the miners' action is at the same time a manifestation of the most important part of class consciousness - namely that the problems of the workers can only be solved by the workers themselves.*<sup>22</sup>

By harnessing the militancy of the US working class with the help of the CIO, the New Deal planner-state allowed the needs of US social capital to subsume those of the aggressive individual capitals personified in Tom Girdler, 'the benevolent dictator' of Little Steel, as well as accommodating an increasingly assertive working class. Thus the US experience has been that of a labour movement minus a labour party. The consequent social democratization of the Democrat Party manifests a contradiction. On the one hand, social democracy as a 'labour movement' mediates working class struggle through trade union demands for social reforms and political representation within the bourgeois state; on the other hand, there is the compromised delivery of these concessions by a party representing a broad coalition of interests, rather than by a proper labour party better able to demobilize the class properly.

#### From New Deal to no-strike deal

The 'Roosevelt recession', the repression against the Steel Workers' Organizing Committee (SWOC) and competition from the AFL brought the initial phase of CIO expansion to an end. Then the USA's entry into World War II in 1941 revived industrial production due to rearmament and lend-

lease, leading to 'an unprecedented recomposition of the US working class'.<sup>23</sup> With accelerated agricultural mechanization, industrialization of the South and West and the collapse of the cotton tenancy, 4.5 million people moved permanently from the farm to the city. The war-time labour shortage allowed women to be admitted into heavy industry for the first time, and enabled strikers to win wage increases for the first time since 1937.

However, on the shop floor, workers faced speed ups as the demand for military production increased. At the same time, although profits were soaring on the back of guaranteed rising demand, wages were frozen. The CIO leadership was anxious to avoid the fate of the IWW, so they agreed a war-time no-strike pledge. However many of the militants whose struggles had provided the motor for the initial phase of CIO expansion, by contesting the NRA and the Wagner Act in the work-place, now turned their anger against the war-time corporatism in a wave of wildcat strikes against the no-strike deal and the National War Labor Board (NWLB) set up to police it.<sup>24</sup> This was a large and scattered group of workers consciously sabotaging the war effort without any union support. In one dispute, the workers' representative stated that the workers were on strike not against the company but against the NWLB.

After the army had been sent in to crush the North American Aviation strike of 12,000 militant rank-and-file, the CIO helped dislodge the CPUSA from the strategic aircraft industry in return for state support for the unionization of the defence industry. The CPUSA supported this strike and that at Allis-Chalmers. When World War II broke out in Europe in 1939, the line from Moscow had been that the war was an imperialist conflict which should be actively opposed by all Communist Parties. However, by the time of USA's full entry into the war, Germany's invasion of Russia had led to a dramatic reversal in the line from Moscow. The war was now a war against fascism; and the fight against the axis powers had now to be fully supported by all Communist Parties. As a result, both the 'social patriotic' leadership of CIO and its Stalinist opposition gave their full backing to the war effort and were united in giving a no-strike pledge for the duration of the war.

As a result, the wave of wildcat strikes which swept the USA was resolutely opposed by the unions and the CPUSA. Despite the CIO's exhortations to 'work! work! work! produce! produce! produce!', the struggles against the no-strike deal lasted from 1942-45.<sup>25</sup> Thus the second world war demonstrated a shift in the relationship between the unions and the state, and between the unions and the working class in the USA. In the NRA strikes and the sit-down fever of the '30s, the working class had used the New Deal's social democratic institutions as an opportunity to strike, forcing the CIO leadership to back their autonomous actions. In wartime, the CIO itself fully became a social democratic institution for the prevention of strikes. The establishment of 'union towns', where cops were not permitted to attack

to organize as the Southern Tenant Farmers' Union (STFU), under the leadership of Clay East's Socialist Party, which undermined segregation by uniting blacks and poor whites. The STFU contested the Wagner Act in the 1935 Arkansas cotton pickers' strike, which forced planters to raise wages after rumours that strikers were shooting scabs! After the government agreed to compensate tenant farmers directly under the Agricultural Adjustment Act (AAA), the planters started just evicting them.

<sup>22</sup> Cited in *A People's History of the United States*, by Howard Zinn.

<sup>23</sup> Mike Davis, *op. cit.*

<sup>24</sup> See Martin Glaberman, *Wartime Strikes* (Detroit, Bewick).

<sup>25</sup> For a good discussion of this, see Glaberman's *Wartime Strikes and The Working Class and Social Change* (Detroit, Bewick).



picket-lines,<sup>26</sup> was symptomatic of the CIO's accommodation with capital and its state.

### The Cold War and the class war

With the devastation of much of Europe, the USA emerged from the second world war as by far the strongest military and economic nation on earth. The only nation that could seriously rival the USA was the USSR. For the American bourgeoisie at the time, the USSR appeared as a formidable opponent. In little more than two decades, the USSR had managed to transform itself from a largely agrarian economy into a world superpower which threatened to bring large swathes of the world under its influence. With even much of Europe on the verge of 'going communist', American capital was faced with the prospect of being hemmed in and deprived of its foreign markets which were vital for its continued profitability and survival.

It was this threat of the spread of 'Communism' which served to mobilize an otherwise introverted and isolationist American bourgeoisie around an active foreign policy which sought both to contain the military, economic and ideological expansion of the USSR, at the same time as constructing a world order amenable to the accumulation of American-based capital.

The first and most urgent task facing this new active foreign policy was to prevent as much of Europe as possible from 'going communist'. Using its continued military presence, its political connections with the European ruling classes and the substantial sums of money channelled through the Marshall Aid programme, the US sought to reconstruct a Europe firmly committed to 'free market capitalism' and therefore open to the expansion of American capital. However, such efforts only served to prompt the USSR into consolidating its own hold over Europe. As a result, as the relations between the two superpowers and former war time allies cooled into the Cold War, Europe became divided between the Eastern bloc which aligned itself to the USSR and Western Europe which aligned itself to the USA.

With the division of Europe, and with it the rest of the world, between the two superpowers, the US sought to organize western capitalism around new international economic and political structures which would ensure the rapid accumulation of American capital. With Britain as its junior partner, the US through the Bretton Woods agreement set up a system of fixed exchange-rates in which all currencies were to be readily convertible into dollars. To protect such system from short term imbalances in trade or from attacks by speculators, the International Monetary Fund (IMF) was established in order to provide governments with emergency loans to support their currencies on the foreign exchange markets. Alongside the IMF, the World Bank was established whose purpose was to provide governments with longer term loans necessary for the development and reconstruction of their economies so that they had no excuse for not competing in the world market.

The US also pressed for the opening up of all national economies to 'free trade'. The barriers to 'free trade' that had grown up during the world depression of the 1930s and the second world war were to be progressively dismantled as the war-torn European economies recovered through successive rounds of trade agreements under the auspices of the General Agreements on Trade and Tariffs (GATT). At the same time, the US took up the slogan of the 'right of national self-determination' to demand the break up and decolonization of the British and French empires so that the 'third world' could also be opened up to American capital.

At home, like its Western European counterparts, the American bourgeoisie was obliged to accept the need for greater state intervention and regulation of the economy. However, unlike many of its European counterparts, the American ruling class didn't feel the need to concede a fully fledged social democratic settlement. Thus, while American economic policy, like that in Britain, was based on Keynesian demand management in which the expansion of state spending was used to sustain demand and prevent the return of economic stagnation, this increased spending was directed less towards the provision of welfare, than in Britain and the rest of Europe, and more towards military spending. Hence American post-war economic policy can be described as a form of *military Keynesianism*.

With the international framework established by the Bretton Woods agreement and the adoption of Keynesian economic policies, the basis was laid for the post-war economic boom which was to last for more than twenty years. Fordist production methods which had been pioneered in the inter-war years were now adopted by an increasing number of industries in the USA and exported abroad. As a result, the productivity of labour rose rapidly, allowing rising profits to coincide with rising wages which in turn led to high and sustained rates of economic growth and capital accumulation. In establishing these conditions for the post-war economic order the American trade unions played a vital role.

Although the leadership of the CIO were for the most part moderate social democrats, their commitment to militant industrial action meant that they were obliged to tolerate union activists and officials who were either members or supporters of the CPUSA. As a result, there emerged a distinct Stalinist opposition to the leadership within the CIO. After the collapse of the Nazi-Soviet pact, the CPUSA's support for the war effort muted this opposition, with the Stalinists becoming enthusiastic supporters of the no-strike deal.

With the end of the war the divisions between the leadership of the CIO and Stalinist opposition reopened over the issue of the presidential elections. The left within the CIO sought to break with the tradition of supporting the Democrats and urged that the CIO throw its organized weight behind an independent candidate - Henry Wallace - for the 1948 Presidential elections. This move was defeated.

Meanwhile, in 1947, the Republican-controlled Congress passed the Taft-Hartley Act. This law required all union officials to declare that they were not Communists before they could be given recognition by the National Labour Relations Board. The left within the CIO argued that

<sup>26</sup> Ignatiev, *op. cit.*



the unions should defy the law and that all union officials should refuse to sign the declaration thereby making it unworkable. The right-wing and the leadership of the CIO, however, saw it as an excellent opportunity to rid themselves of increasingly troublesome left-wingers.

The failure to oppose the Taft-Hartley Act led to the mass expulsion of CPUSA members from union positions and contributed to the anti-communist witch-hunts that culminated in the McCarthy trials in the early 1950s. These anti-communist witch-hunts, combined with the growing prosperity of post-war America, brought about the eradication of left-social democracy and socialism from both the unions and American politics in general.

Having established its position as the mediator in the sale of labour-power, the CIO no longer needed to maintain the tradition of militancy which it had built up in the 1930s. With the expulsion of the Stalinist opposition, the CIO leadership was free to find a rapprochement with the AFL which resulted in their merger in 1955. Together, the AFL and CIO proceed to play their crucial role within the Fordist mode of accumulation ensuring that wages, and thus consumption, rose in line with increased production despite the immediate interests of individual employers in holding down the wages of their own workers.

The American labour movement also played a vital part in the struggle over the division of Europe following the second world war. One of the most important issues was the control of the newly re-established labour movements across Europe. From the start the AFL acted as conduit for US foreign policy, channelling cash and influence into the heart of the European labour movement. In contrast, the CIO, with its strong Stalinist wing, at first played a more ambiguous role. While the CIO in some respects supported US foreign policy, it also joined the World Federation of Trade Unions (WFTU), which was dominated by Stalinist-led trade union federations and which, despite its protestation that it was neutral, was widely seen as aligned with the USSR. However, following the defeat and expulsion of the CPUSA officials in the CIO, and with onset of the Cold War, the CIO broke with the WFTU in 1948 and fell into line with AFL.

The economic and political framework established after the second world war provided the basis for an unprecedented period of economic growth throughout the industrialized nations within the Western bloc. However, by the 1960s the limits of Fordism were becoming apparent. As elsewhere, the prolonged economic boom had led to a rising organic composition of capital and with it a decline in the rate of profit for US capital. At the same time, a new generation of workers emerged who were no longer content with the concessions won by their parents at the end of the war. New social movements arose, such as the Civil Rights movement, which made new demands on the state; while at the workplace full employment gave workers the power and confidence to assert their own needs and demands in the form of wildcat strikes and labour indiscipline. As a result, state spending and wages grew rapidly, squeezing profits further.

In addition, the USA found itself facing a relative decline in economic position. The Marshall Aid programme, and other post-war arrangements aiding the devastated

economies of Europe, had not only saved Western Europe from 'going communist' but had provided the basis for their rapid reconstruction. By the late 1950s the economies of Western Europe, particularly that of West Germany, had re-emerged as serious rivals to the USA in many crucial sectors. The competitive advantage of American capital, that had led to a huge trade surplus with Western Europe in the 1940s and 1950s, was eroded, giving rise to a mounting trade deficit and a glut of dollars in the vaults of the European banks.

As a result, by the late 1960s the US was in crisis. Faced with growing workplace militancy and a generalized revolt against work, the unions were forced to adopt more militant bargaining positions in order to head off working class dissent. The unions' demands for higher wages could only be reconciled with company profits through accelerating inflation as wage rises were passed on as price increases. At the same time, the escalation of the Vietnam War, and the social and welfare programmes introduced by the Democrats in the early sixties, led to a rapid increase in public spending.

With the Democrats split over the issue of involvement in the Vietnam War, it was left to the Republicans under the Presidency of Richard Nixon to resolve the crisis of American capital. Faced with accelerating inflation and a ballooning trade deficit, the Nixon administration introduced strict new labour laws and wage controls in order to hold wages down. This ran the danger of politicizing industrial relations as demands for higher wages had to challenge both government policy and the law of the land. However, unlike their British counterparts who not only smashed both Labour's and the Tories' attempts to introduce and enforce an industrial relations act and in the end brought down the Heath government by breaking its pay policy, the American unions were not compelled to take on the government.

At the same time, with his foreign policy détente, Nixon sought a new understanding with both China and the USSR which paved the way for arms control and with it a substantial reduction in military spending. And in 1971 the dollar was devalued in order to boost the competitiveness of American industry, which eventually led to the break up of the Bretton Woods system of fixed exchange rates in 1973.

While Nixon's attempt to resolve the crisis within the old post-war framework averted the immediate crisis, American capital, like its counterparts in Europe, remained mired in declining profitability throughout the 1970s. In response, capital sought to break out of the rigidities of existing Fordist production and sought opportunities elsewhere. As a result, investment in industrial production declined and unemployment throughout America and Europe rose giving rise to stagflation (i.e., rising inflation combined with rising unemployment and low levels of economic growth).

The quadrupling of the price of oil in 1973 in effect shifted capital out of the hands of industrial capital into the coffers of the banks. This allowed capital a greater degree of fluidity with which it could outflank the working class. No longer confined and committed to the old industrial circuits, capital was able to shift out of the old heavily unionized industries of the North and East of the USA to low waged and non-unionized industries situated either in the South and



West or in newly industrializing countries such as Brazil, Mexico and South Korea – a process that was to gather pace in the 1980s as we shall see.

By the late 1970s the attempt to stem the flight of capital had become exhausted. The gradual devaluation of the dollar, wage controls and attempts to control military spending had all proved to be futile attempts to swim against the tide, opening the way for the sharp reversal of economic and foreign policy which was to occur under Reagan. As in Britain the unions had contained working class militancy and then defused it; but in doing so they had undermined their own position. Reagan's electoral success reflected the emergence of the 'Reagan Democrats', corresponding to the 'C2' skilled workers who transferred their allegiance from Labour to the Conservatives in the 80s.<sup>27</sup>

### **Star Wars and the class war: Reaganomics and the retreat of social democracy**

Many militants involved in UK trade unions will be watching events in the USA with keen interest. The decline of trade unions in the USA mirrors Britain's recent history of labour defeats: steelworkers, the miners, the printers. With the crisis of the '70s, the American New Right became one of the ideological inspirations for Thatcherism, with the US economist Milton Friedman providing in monetarism the rationale for imposing unemployment and austerity on the 'bloody-minded British worker'.

Like Thatcher, Reagan swiftly replaced the policy of accommodating the working class via the unions to one of outright confrontation, exemplified in the defeat of the air-traffic controllers strike (with the assistance of the machinists and other unions, who ordered their members to cross PATCO picket-lines). As we noted in our introductory article, social democracy was never as well established in the USA as in most of Europe. The British Labour Party's initial response to its defeat in the 1979 General Election was to swing to the left. In the USA at the time of Reagan's victory, there was already widespread cynicism among working class voters with the bourgeois political process, expressed in a general perception that there was little difference between the two main parties. The attempt by the more social democratic elements within the Democrats to regroup around a 'rainbow coalition' and reverse the party's drift to the right failed. Thus in the 1984 general election Reagan was able to portray himself as the natural heir to Roosevelt, in contrast to the monetarist 'new realism' of the Democrats under Walter Mondale.

Although Reagan had come to power on a promise to balance the books by 'rolling back' public welfare spending, Reaganomics included an element of military Keynesianism in the form of a revival of the post-war tendency towards military accumulation. While Thatcher's bouts of red-baiting tended to concentrate on the 'enemy within', Reagan's attacks were directed at the USSR, characterized as 'the evil empire'. Abandoning the policy of 'détente', Reagan attempted to rally the American bourgeoisie still traumatized

by their pasting in Vietnam. In doing so he re-oriented global capital accumulation around the needs of American military production.<sup>28</sup>

This policy involved a massive expansion of the defence budget at the expense of post-war working class gains in the form of the rising social wage. This was accompanied by an ideological 'backlash' against the 'new social subjects' who had emerged in the '60s and '70s, notably the Women's Liberation Movement which had begun contesting their unwaged role in reproducing the waged worker. Though the 'family values' of the religious right sought to confine women in the home, the '80s and '90s have seen capital attracting women as a low-paid, non-union workforce, alongside the tendency to repel the traditionally male bastions of working class entrenchment in heavy industry. The seemingly contradictory ideologies of monetarism and fundamentalism found their expression in the ruthless attack on benefits aimed at single mothers, culminating in the replacement of Aid for Dependent Families (ADFC) by Temporary Aid for Needy Families (TANF). This relentless clawing back of the concessions of the 1960s has continued into the Clinton era with the wide scale adoption of 'workfare', forcing black single mothers on the dole to combine unwaged domestic labour with unwaged drudgery outside the home, as they sweep the streets with their children in tow.<sup>29</sup>

Far from balancing the books, Reagan's military Keynesianism meant abandoning the policy of competitive devaluation of the dollar favoured by previous administrations; and interest rates were pushed up to finance the growing trade and budget deficits. This devastated large swathes of the concentrations of working class entrenchment in the 'rust-belt' industries of the North East. The military Keynesianism of Reagan's policy of military expansion helped US capital to outflank the working class by capital migration within the USA itself (whose federal system enables capital to migrate internally from areas of working class entrenchment to so-called 'right to work' sunbelt states in the South and West). The Strategic Defence Initiative (SDI), nick-named 'Star Wars', represented a massive state subsidy for the non-union computer software and electronics industries at a critical stage in their battle with their Far East competitors. This was part of a growing tendency within the USA for the centre of accumulation to shift from unionized heavy industry to the non-unionized service sector and 'Silicon Valley', a tendency which has continued in the Clinton era.

The USA could only sustain its vast military expansion by vast borrowing, reducing the USA to the status of the world's most indebted nation. Meanwhile, the renewed pressure of the arms race sharpened divisions within the Soviet bureaucracy, with the result that Gorbachev was

<sup>28</sup> The limitations of this policy can be seen in the fact that the only NATO country to support America's proposed three per cent military expansion target was Britain.

<sup>29</sup> See our recent text *Dole Autonomy versus the Re-imposition of Work: Analysis of the Current Tendency to Workfare in the UK*; the pamphlet's appendix gives details of American workfare programmes.

<sup>27</sup> However this period also saw a definite tendency towards mass electoral abstentionism within the US working class.



unable to accommodate the demands of the working class and the 'managerial faction' of the bureaucracy within the USSR's institutional framework. The eventual collapse of the Eastern bloc due to both these pressures and the gross inefficiencies of the Russian form of capitalism was hailed by the bourgeoisie as final confirmation of the triumph of capitalism, as the gangrenous vampires slavered over the new markets to be conquered, and as the end of any possibility of radical change. The demise of 'actually existing socialism' was yet another nail in the coffin of social democracy.

As the US economy slid into recession and George Bush fell victim to the loose cannons of the fundamentalist right, the Republican Party's hegemony over the White House was finally ended by Bill Clinton's victory in the 1992 presidential elections. As it followed hot on the heels of Neil Kinnock's failure to end 13 years of Conservative government, Labour 'modernizers' were watching it closely. Far from rehabilitating social democracy, Clinton showed himself the natural heir to Reagan's legacy. Under Clinton, the Democrats were able to shake off their image as 'tax and spend liberals' with a continuation of the draconian welfare cuts which had helped to provoke the LA uprising, and the adoption of workfare as a national policy. To pre-empt any further unrest, Clinton's 'tough love' law and order policies amounted to the criminalization of the black population, disproportionately affected by this impoverishment and re-imposition of work. So, following the trend set by Reagan, his rejection of traditional Keynesian accommodation of working class demands has been accompanied by a huge rise in the prison population, the infamous 'three strikes', and, as promised, 100,000 new cops.

Clinton has presided over the consolidation of the capital restructuring initiated in the late '70s: the rapid growth in part-time, insecure work, the migration of labour from the 'rustbelt' North East to the 'right to work' sunbelt states of the South and West and the adoption of the North American Free Trade Agreement (NAFTA) to facilitate capital flight to the low-wage haven of Mexico. Thus the early 1990s saw a continuation of the dismal catalogue of defeats for the American labour movement begun in the '80s. This has been manifested in a decline in union membership from 20 million in 1979 to 16 million in 1996. The effect of this long-term decline has been contradictory: on the one hand, an attempt at a neo-corporatist accommodation with capital and the state on the part of the AFL-CIO leadership; on the other hand, a recruitment drive and a resurgence of industrial militancy.

### **The US working class is dead! Long live the US working class!**

In the early '90s, the US working class was widely seen as hopelessly demoralized, divided and defeated, with strikes reaching an all-time low. In 1994, according to US Labour Department statistics, the average American worker would stand to reclaim a day from work through a strike once every

100 years should current trends continue!<sup>30</sup> By contrast, in the last few years, there have been more strikes in the USA than in the UK.

Of course, strikes are far from the only form of class struggle, and in the light of the dismal history of the previous two decades, it would hardly be surprising if the US working class would turn to other forms of resistance.<sup>31</sup> It is interesting at this point to mention the role of black proletarians, marginalized both within the unions and the workplace, in one of the most inspiring manifestations of the class struggle in that period, the LA uprising.<sup>32</sup>

If LA was a struggle in which union mediation had no role, the recent strikes are partly an expression of the unions' need to regain their influence within the working class. The unions' increase in militancy was also linked to a period of reflation. This reduced unemployment to a 24 year low of 4.9%. This major change in monetary policy followed a period of deflation under the Republican-controlled Congress. Their victory in November 1994, on a platform of spending cuts known as the 'contract for America', ended 40 years of Democrat control of Congress, undermining the union bureaucracy's neo-corporatist policy of lobbying congress. Liberal commentators put this result down to the disillusionment of the 'blue collar Democrat' with Clinton's neo-liberal economic policies.

In 1996, trade union financial contributions of \$50 million helped the Democrats to win the presidential and congressional elections. This helped to create a climate in which the US bourgeoisie was becoming sympathetic towards trade union demands. During the 19 month long *Detroit News* strike, the Democrats even had a policy of refusing to speak to the scab papers. The UPS strike also attracted very favourable media coverage.

The upsurge in militancy is also linked to the swing to the left within the leadership of the International Brotherhood of Teamsters (IBT). This was the union involved in the UPS strike, and two out of the six unions in the *Detroit News* strike were Teamster locals (branches). Historically the Teamsters are notorious for corruption and racketeering, a trend synonymous with the presidency of Jimmy Hoffa Sr. But in 1991, a split in the old guard allowed Ron Carey to beat Hoffa Jr. on an anti-corruption ticket. This was the culmination of a rank-and-file movement dating back to the '70s, called Teamsters for a Democratic Union (TDU) seeking democratic control of 'their' union. Though Carey was himself not immune to charges of corruption, his election created a climate favourable to the new mood of militancy within this union, which has 1.4 million members and strategic positions in transportation.<sup>33</sup>

<sup>30</sup> See Curtis Price, 'The Refusal of Work in the '90s' in *Collective Action Notes* (No. 2, summer 1994); reprinted in *Discussion Bulletin* 68.

<sup>31</sup> Price, *op. cit.* Price draws attention to 'micro level resistance' within the American working class.

<sup>32</sup> See 'The rebellion in Los Angeles: The context of a proletarian uprising' in *Aufheben* 1 (autumn, 1992).

<sup>33</sup> *Slingshot*, Spring 1998.



## Upsurge in industrial militancy

For many on the left, notably the SWP, the high-point of this resurgence in trade union militancy was the United Parcel Services (UPS) strike in August 1997. For the SWupPies, the UPS strike was a historic turning point in the fortunes of the US working class: 'the first time in over 20 years that a major national strike (in the US) has won a victory.'<sup>34</sup> Clearly they would like to see this perceived pattern reproduced in the UK; but an analysis of the relevance of the US situation to the future of trade unionism and social democracy in this country must avoid the Trots' miserable trade-union consciousness.

However, we can't accept as the only alternative to seeing trade unions as 'workers' organizations who unfortunately sell out their members' that of seeing them as in an undifferentiated conspiratorial unity with employers. Correctly, the International Communist Current (ICC) point out that the 10,000 new full-time jobs gained by the UPS strikers would be more than cancelled out by the 15,000 lay-offs expected due to loss of business during the strike. But the ICC suggests a grand conspiracy between the government, the bosses and the unions to stitch up the working class. Certainly all three are the enemy, but they don't always work together. The ICC go so far as to say that 'there is no conflict of interests between UPS and the Teamsters' union', on the basis that the UPS bosses deliberately provoked the strike in the summer months when the retail trade was slack. Though this is undeniable, it does not provide a case for saying that there is no conflict of interests between management and unions. After all, there are conflicts of interest within the bourgeoisie itself, because of the imperatives of the market forcing different capitals to compete with each other. This can be seen in the UPS strike, when rival delivery firms used the strike to grab a share of UPS's market.

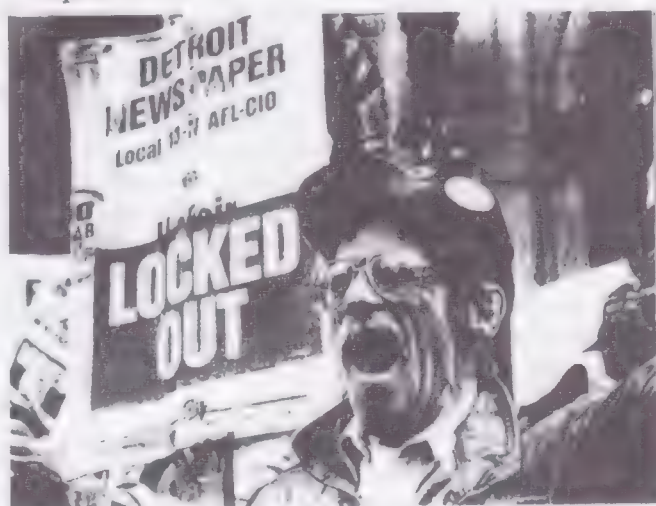
As the ICC correctly point out, the union gave management plenty of warning of an impending showdown in the form of their 'countdown to contract' campaign within the union, enabling management to time the strike to their advantage. In spite of this, the strike halted an estimated 75% of US deliveries. The National Retail Federation appealed to Washington to intervene. As for UPS themselves, the company lost \$800 million dollars not to mention customers lost to competitors; so if they were so happy to concede the unions' demand, why didn't management stitch up a deal with them before the strike? Probably because the recent history of labour defeats, including a failed UPS strike in 1994, had made them over-confident in their ability to weather a strike.

The ICC article points out that UPS invited the Teamsters to unionize its workforce in the '20s. But there have been enormous changes in the structure of US capital and the composition of the US working class since then, not least of these the new tendency towards militancy within the IBT itself. Originating as an AFL craft union, the Teamsters were involved in battles against the CIO in 'labour's civil

war' in the '40s. More recently, the IBT transformed its structure to become a CIO-style industrial union. Though the UPS strike was widely seen as a victory because of the new contract negotiated by the union, there is no sign that it will stop the gruelling intensification of work endured by UPS employees. This hidden grievance was mediated by the unions in the form of 'health and safety issues'. It also undeniable that the Teamsters did their best to stop the strike from spreading and to keep a lid on the class antagonism they had unleashed. However despite the limitations of the UPS strike, its undoubted success in shaking the complacency of the US bourgeoisie was nevertheless a considerable psychological victory if nothing else for the US working class.

We shall expand upon the nature of unions as mediators of class struggle below. Now we must turn to the changes within capital which are being contested in these struggles.

The new militancy within the Teamsters has led it into defeats as well as victories, such as the strike by 2,000 newspaper workers in Detroit. This 18 month long battle, and the lock-out which followed the unions' unconditional surrender, was again provoked by the bosses to a certain extent in an effort to break the union's control of the workplace. In the light of the apparent conquest of the Teamsters by the rank-and-file, it is inadequate simply to denounce the union as class collaborationist. Our task is to expose the contradictions between the antagonistic subjectivity of the proletariat and its representation in the unions. The success of the Teamsters for a Democratic Union and the resulting militant stance of the Teamsters' union expresses a convergence of interests between the union as and its members. As we shall see, the Detroit strike was not a simple case of the unions stitching up the workers. The unions lost out too from the imposition of an 'open shop', displacing them from their role in hiring and firing in the workplace.



Counter Information was not far off the mark when it labelled the *Detroit News* and *Free Press* strike a 'Wapping style dispute'.<sup>35</sup> The bosses of *Detroit News* saw the strike as an opportunity to impose an open shop, in order to reduce the workforce and realize more profits from the scab labour remaining. *DN* were prepared for a long siege, with scabs

<sup>34</sup> *Socialist Worker*, quoted in *World Revolution*, No. 208, October 1997.

<sup>35</sup> *Counter Information* (No. 47).



housed in makeshift sleeping quarters inside the *DN* building. Scab newsroom staff registered their submission to the bosses' intensification of work by displaying a notice outside the newsroom: 'Twice the work. Half the time. None of the whining.'<sup>36</sup> Despite technological changes, before the strike *DN* had been burdened with job classifications and restrictive practices which were now obsolete. The six unions in the industry resisted management's proposal to atomize wage bargaining with merit pay. But when the union demobilized the strikers with its unconditional return to work offer,<sup>37</sup> *DN* president Frank Vega claimed that the strike 'handed us \$35 million in savings - 700 jobs we don't need anymore.'<sup>38</sup>

In the end, the National Labour Relations Board (NLRB) ruled that the strike was caused by management's attempt to impose 'unfair labour practices', making them liable for back-pay for the strikers who weren't reinstated after the union's unconditional return to work. But while the legal processes have been dragging on, strikers have been 'scattered to the four winds' and have sought other employment.<sup>39</sup> Besides, any reinstatement would exclude the 200 militants sacked for picket line violence.

The *DN/FP* bosses gave new technology much of the credit for enabling them to continue publishing their papers during the strike, failing to mention the more traditional strike-breaking methods: scabs, cops, goon squads and injunctions. Whatever the decisive factor, other newspaper bosses sent teams to Detroit to study how *DN/FP* published despite the strike. The Gannet and Knight Ridder media giants also had the advantage of a joint operating agreement, and were rich enough to be able to afford running at a loss until the unions caved in.<sup>40</sup>

The trends mentioned in the section above on Reaganomics haven't changed significantly: the capital migration from unionized heavy industry to the non-unionized information technology industries and the service sector and the service sector continues, and with it the unions' long-term decline. The unions' recruitment drive has made gains in the service sector, notably among hotel workers in Las Vegas. But most of the major workplace struggles in the USA's recent past have been in traditional centres of militancy, such as Detroit, the birthplace of the mass worker. The recent strike by 9,200 General Motors (GM) workers has been taking place in Flint, which was at the centre of the sit-down strike movement in 1936-7. The 1998 GM strike is of its time though, highlighting the vulnerability of the USA's biggest motor firm. By cutting off supplies of vehicle parts, the strike has forced GM to close 27

out of their 29 assembly plants, and has lost them over \$1.2 billion. The strikers' use of the motor industry's 'just-in-time' inventory system meant a swift shutdown of GM's motor production,<sup>41</sup> turning capitalist restructuring into its own negation. That a walk-out in one place can halt production 1,100 miles away is evidence of capital's falling victim to its own division of labour. A use-value may have travel half-way round the world before its value can be realized, completing its transformation into a commodity.

The struggle of the GM workers highlights the use of capitalist restructuring in the form of 'out-sourcing' and 'downsizing' to outflank working class. In Flint, the number of GM employees has dropped from 76,000 to half that number since the '70s - an example of the capital migration from the North which accounts for the decline in union membership. GM has started 'out-sourcing' its parts to other, smaller plants, who need to cut labour costs in order to compete with non-union firms in the South of the US.<sup>42</sup> NAFTA has also encouraged capital flight to Latin America: GM has 10,000 employees in parts plants in Mexico.<sup>43</sup> This exemplifies the contradictory process of attraction and repulsion inherent in capital accumulation. Despite the fact that much of the shift of capital has been within the USA, the UAW leadership has been attempting to mobilize the strikers behind a racist and neo-protectionist 'Buy American' campaign.

The earlier strike at Flint four years ago was over the use of 'temps' and a 66 hour week. This summer, the United Autoworkers have mentioned 'health and safety' on their list of the workers' official grievances, along with job losses to cheaper labour markets.

However the two issues are linked. In the UK, the recent death of Simon Jones, someone hired as a stevedore with no training by a scab temping agency, demonstrates the lethal effect of casualization in the wake of the abolition of the National Dock Labour Scheme.<sup>44</sup> The issue of 'health and safety' raised in both the GM and UPS strikes is a trade union mediation of the proletariat's day-to-day experience of the risk of injury and death in the workplace. The 500 Liverpool dockers sacked for refusing to cross a picket-line were also casualties of casualization. As the introductory article pointed out, one of the Liverpool dockers' more effective tactics was their direct approaches to dockers around the world, confronting capital as a supra-national subject with the dockers' tradition of international solidarity. Ironically their sacking would have been illegal in the USA, whereas the American dockers' actions in support of them would have been illegal over here due to the laws on secondary picketing!

Another instance of workers attempting to transcend national borders occurred in the UPS strike, when the German transport union OeTV organized solidarity actions

<sup>36</sup> 'Inside the news',

<http://www.cris.com/~Mppa/strike/inside.html>.

<sup>37</sup> *Labor Notes* (No. 217, April 1997).

<sup>38</sup> 'Analysis: Back to work offer reflects strike's reality', *Detroit News* (16th February 1997).

<sup>39</sup> 'Newspaper strikers pin their hopes on injunction', *DN* (23rd March 1997).

<sup>40</sup> *Collective Action Notes*, Dec. 1996.

<sup>41</sup> 'UAW keeps big three wages at parts plants sold by GM', *Labor Notes* 217.

<sup>42</sup> *Labor Notes*, *op. cit.*

<sup>43</sup> With over 80,000 workers in Mexico, GM is Mexico's largest private sector employer.

<sup>44</sup> See *Where's My Giro?* No. 2, Newsletter of Brighton Against Benefit Cuts.



over UPS sub-contracting and the resulting intensification of work. Limited though these actions were, they jeopardized UPS's international trade. The Teamsters and the dockers, as well as the French truckers, are all conscious of the role of their industries in the circulation of capital, its transformation through transportation. Their actions deliberately target the weak points in this circulation, and impact 'on crucial nodes in the increasingly important routes of international trade'.<sup>45</sup> The Teamsters' strategic targets were the time-sensitive next-day second-day delivery system, the fastest growing and most profitable sector of UPS. Such actions constitute a response, however tentative and limited to union channels, by the working class to the increasing fluidity of global finance capital.

The neo-protectionism of the UAW bureaucracy characterizes this tendency as 'Pearl Harbour II', emphasizing the role of competition from Japan in the relative decline of US capital. It is also a characteristically social democratic attempt to use the notion of a cross-class 'national interest' to demobilize the working class. However such a model of social democracy presupposes distinct national centres of accumulation. With the increasing ability of money capital to transcend national borders, the cohesion of these 'national economies' has been called into question.

Before finally concluding our consideration of the future of American social democratic forms and relating this to the British situation, the pressure of recent events has made it necessary for us to locate this issue in the context of the global economic crisis.

### **Clinton, Blair and the paper tiger economies**

As we have seen, the integration of social democracy within state and capital was based on the Fordist class compromise established after the second world war. Profits were ploughed back into industry in order to expand production and raise the productivity of labour. This in turn allowed both wages and profits to rise, creating the demand to absorb the increase in production. This process was underwritten by the Keynesian state which, through an active fiscal and monetary policy, maintained rising levels of demand and provided the framework through which the class compromise was sustained. As such, social democracy provided the means through which the aspirations and demands of the working class could be harnessed as the motor for capital accumulation.

However, by the late 1960s, the Fordist class compromise had reached its limits. As the rate of profit began to fall, the working class, strengthened by years of near full employment, went on the offensive. Social democratic mediation translated this offensive into demands for higher wages and social spending which nonetheless exceeded the growth in labour productivity and hence led to a further squeeze on profits. As a result, capital across the world entered into a severe crisis of profitability.

To resolve this crisis capital had to radically restructure. With the growth of global finance capital, capital sought to outflank the entrenched working class of the advanced

industrialized economies. Investment was now shifted out of high waged and unionized industry into low wage non-unionized sectors, while the capital that remained in the old industries no longer aimed to produce more from the same workforce but to maintain existing production levels with fewer workers. As the emphasis has shifted away from the production of relative surplus-value to the production of absolute surplus-value, the role of social democracy has become restricted.

This process of restructuring has been long and drawn out and has created a series of further crises and imbalances in the world economy. First there was the flight of capital from the USA and Europe at the end of 1970s, which had taken the form of huge bank loans to Latin and central American governments. With the onset of recession in 1981 these governments found themselves unable to meet the debt repayments causing a severe crisis in the global banking system whose collapse was only narrowly averted by the intervention of the IMF. The implementation of Reaganomics created a huge and unsustainable American budget and trade deficits together with a vastly over-valued dollar. Following this there was the world stock market crash of October 1987. In order to avert a repeat of the 1928 stock market crash, which plunged the world into a slump in the 1930s, the central banks of the leading capitalist powers eased their monetary policies fuelling the late 1980s credit boom which then turned into the prolonged recession of the early 1990s, seriously afflicting the USA, Japan and the UK.

The election of Clinton in 1992 seemed to mark the end of the after-effects of this long, drawn out process of restructuring - at least for the USA. Under Clinton, the USA has experienced six years of economic growth and falling unemployment. The huge trade and budget deficits of the 1980s have been gradually unwound and inflation has been subdued. With the economies of Japan and much of Europe stagnating, Clinton has presided over the resurgence of the USA as an economic power. As a result many of the more hopelessly optimistic US economists have talked about a new economic paradigm - the 'Goldilocks economy' - in which booms and slumps have been abolished and economy enjoys steady growth and low inflation.<sup>46</sup>

This revival of the American economy under Clinton has, by reducing unemployment, served to strengthen the hand of some sections of workers. As such it is no doubt an important factor in the resurgence of industrial militancy. However, it seems unlikely that the unions will be able to return to the position they enjoyed during the post-war era in the foreseeable future. Even at the end of the post-war boom, the productivity of labour rose by around 2.6% per year,<sup>47</sup> allowing ample room for higher wages and social spending without jeopardizing company profits. In recent years the average rate of increase in productivity has slumped to 0.8%<sup>47</sup> and shows no signs of increasing. The growth in both

<sup>46</sup> Between 1960 and 1973 output per worker in the business sector of the US economy grew at an average rate of 2.6%. Source: OECD.

<sup>47</sup> Between 1979 and 1996 output per worker in the business sector of the US economy grew at an average annual rate of 0.8%. Source: OECD.

<sup>45</sup> *Smash Hits*, No. 2.



the economy and profits has come from drawing women and immigrants into the workforce and paying them low wages.

The room for the working class to gain social democratic concessions without seriously damaging capital's continued profitability is therefore far more restricted than it was in the 1950s and 1960s. Nevertheless, America's successful re-establishment of its hegemonic position vis-à-vis Japan and Europe does perhaps allow more room for such concessions than in other countries. Given capital's current reliance on the production of absolute surplus-value - increasing the intensity and length of labour rather than its productivity - even such concessions are likely to be meagre even in America. Of course, of greatest interest to us is the possibility of the working class realizing that it can only meet its interests by going beyond social democratic mediations of its struggles - as the construction workers in New York pointed the way this summer.

In Britain, Goldilocks has arrived late and the three bears are due back soon. In contrast to Reagan, Thatcher, facing a far more entrenched working class, was unable to cut average real wages, nor was she able to launch a full scale assault on the welfare state. In order to smash the bastions of 'union power', such as the miners and the print workers, she was obliged to allow the wages of other workers to rise. Also the universal nature of the welfare state made it much more difficult to cut without arousing howls of protest from the middle classes whom she needed for electoral success. As a consequence, it was only with the recession of the early 1990s that the average rate of increase in wages in the private sector was brought down to below 7%; it was only after the recession that the Tories were able to impose a sustained real cut in wages for those working in the public sector.

Like Clinton, Blair, it seemed, inherited a economy enjoying steady growth and low inflation with budget and trade deficits well under control. The days when economic policy was plagued by recurrent crises appeared to be over and long term policy-making seemed to be a possibility. Fully embracing 'neo-liberalism' and the conservative economic orthodoxy of the bankers, the first act of Gordon Brown was to hand over day-to-day monetary policy to the Bank of England and announce rigid rules to restrict public spending. By being more conservative than the Conservatives, Brown announced that at this one stroke he would be able to smooth out the cycle of boom and slump that has dogged capitalism since its inception!

Having abolished the business cycle in its first few days in office, New Labour could then concentrate on reforming the welfare state and increasing the level of training and education which they hoped would raise the 'trend rate of growth of the economy'. With faster economic growth, and a reduction in welfare spending due to welfare reform, more resources would be available for 'priority areas' of public spending such as health and education.

The problem of course is that even if Brown had managed to find a way of smoothing out the booms and slumps of British capitalism, and even if welfare reform and investment in education and training could lead to an increase in the long term rate of growth of the economy, the two sides of New Labour's economic policy do not add up.

Financial orthodoxy requires strict controls on public spending if not further cuts, yet any attempt fundamentally to reform welfare would in the short to medium term be very expensive, as would raising the levels of education and training.

Even without the effects of the financial crisis emanating from the Far East it would seem that after six years of growth the British economy would slow down. Indeed, the government has accepted this, arguing that there is a need for the economy to grow below the trend rate of growth for a year or so to take the heat out of the economy. However, the Bank of England's policy of raising interest rates has made matters worse. High interest rates, and a consequently over-valued pound, has already forced manufacturing industry into a recession and this now seems set to spread into the previously booming 'service' sector. As the growth in the economy falls below 2%, unemployment will begin to rise sharply, swamping Blair's underfunded 'welfare to work' programmes and making welfare reform difficult if not impossible without considerable opposition.

Yet the biggest danger to the arrogant complacency of both Blair and Clinton is of the financial crisis of the Far East causing a world slump - a danger that is beginning to dawn on Blair with recent redundancies announced in his own constituency. As we have argued, the growth of global finance capital provided the means through which capital as a whole could outflank the entrenched working classes of the advanced industrial economies. However, it has brought with it the danger of greater instability to the world capitalist system as a whole. The crisis in the Far East is a prime example of this.

In the late 1980s, facing declining profits at home, combined with an over-valued Yen, Japanese capital either took flight into property speculation, or else moved abroad to the newly industrializing economies of the Pacific rim whose currencies were pegged to the US dollar. On the basis of Japanese investments, these 'tiger economies' were able to rapidly expand their exports to the USA and achieve high rate of export-led economic growth. Seeing the huge profits that were being made, the Western Banks pressed for these tiger economies to open up their finance markets. With such financial deregulation, Western finance capital poured into the Far East looking for a fast buck.

Last July the inevitable happened. Unable to keep up with the growing demands and expectation of the financial speculators, having taken on more and more speculative ventures, the banks in Thailand found they could no longer service their debts. The financial markets panicked and began withdrawing their money from all the tiger economies, pushing even the solvent banks in these countries to the point of bankruptcy. With the Western speculators trying to turn their investments into hard dollars, the currencies of each of the tiger economies could no longer maintain their parities with the dollar and went into free fall.

With these devaluations, the price of imported raw materials have rocketed, forcing into bankruptcy even those companies that have managed to survive demands for loan repayments made by banks desperate for cash. Thus millions of people in Indonesia, Thailand and South Korea are facing redundancy and rapid rises in the prices of imported goods.



Of course, the intervention of the IMF has done nothing for the working class in these countries. Its main aim has been to protect the interests of global capital and the Western banks. By lending billions of dollars which are then used to maintain loan repayments to the Western banks, the IMF buys time until the implementation of the usual austerity measures can be put in place so that working class of these countries can pay off the loans in the form of lower wages and cuts in social spending.

Even though the IMF has been able to contain the crisis in the Far East, as it has done previous financial crises over the past two decades, there is now a question of whether it has sufficient resources to cope with the crisis if it spreads to Latin America. Quite simply, the IMF is running out of money. The main source of funds for the IMF is the USA, but the Republican Congress is reluctant to release the increase in funds promised by Clinton's administration. As many Republicans argue, if the IMF bails out the Banks and speculators every time there is a crisis they will have little disincentive for making risky and irresponsible loans in the future. They will in effect be given a one way bet: either they make big profits from successful loans or else the loans fail and are instead paid by the IMF! Thus there is a serious dilemma. Either the IMF is allowed to continue to bail out the present financial crisis at the risk of making the next one even bigger, or else crisis will have to be allowed to take its course, which could mean it spreading to the USA and Europe, causing a collapse in the world financial system.

Obviously, these events would represent a complete change in the context in which the recent militancy has unfolded. However, it is too early to speculate on this. We now turn our attention back to the recent strikes and struggles to see what they can tell us about the nature of the unions in the present period.

### 'Casey Jones, the union scab':<sup>48</sup> Analysis of the function of trade unions

Now that large-scale class confrontation is returning to the American workplace, and with it the role of trade unions, the moribund British left has been looking across the Atlantic for inspiration. Both the SWP and the Teamster boss Ron Carey are in agreement that the UPS strike marks an 'historic turning point' for the US working class.

Recognizing the limits of the tendency towards militancy within the US trade unions helps us to avoid the pitfall of bemoaning the 'betrayals' and 'sell-outs' of the working class by right-wing union leaders. This position provides the ideological basis for the Trotskyite strategy of left unity: campaigning for the replacement of right-wing leaders by their own left-wing candidates. It fails to see that union leaders of whatever political persuasion are forced into these 'sell outs' by the logic of their own position within capital and by the nature of unions, whose function is to regulate the sale of labour-power.

The Teamsters since the rise of TDU are a good example of this. The union leadership is committed to democracy and 'the organizing model' of trade unions, which means opening up the union to membership participation. At UPS, they negotiated a leave-of-absence clause enabling rank-and-file leaders to take time off for full-time campaigning. This is part of the TDU's strategy of promoting an active membership. Time and again rank-and-file initiatives rejuvenate trade union hierarchies to create a new layer of leaders who then in turn stitch workers up. This exposes as a sham the leftist condemnation of 'sell-outs' by the leadership. It is not the union leaders who sell the workers out, but the workers who sell themselves out, and it is the left who encourage them.<sup>49</sup>

Teamster leader Ron Carey also rook on as an assistant Harold 'Eddie' Burke, a veteran of the Pittston coal strike of 1989. In an echo of the IWW/CIO sit-down strikes, the Pittston strikers occupied a coal processing plant for several days. The Detroit strike also involved more limited occupations of suburban DN/FP offices, as well as invasions of council meetings. The office occupations were intended to be media stunts, but were also disruptive and led to arrests. Burke's prominence in the Teamster leadership indicates the unions' need to harness the militancy of the subjects they represent, by sanctioning direct action and law-breaking. In Burke's words, 'if any union plans on striking their employer in this day and age and is uncertain as to breaking laws that are on the books, my advice is not to strike'.<sup>50</sup>

But by mobilizing these subjects in confrontations with the cops, the 'militant' union leaders began losing control of the workers. The struggle was attracting support outside the unions directly involved in the dispute, from other workers who saw newspaper bosses' imposition of casualization and atomization of wage bargaining as an attack on them. These included Detroit GM workers in the UAW, themselves under threat from 'downsizing' and 'out-sourcing'.



By Rebecca Cook, Reuters

**Full metal racket:** Union members cheer as General Motors returns stamping dies to the Flint (Mich.) Metal Center.

<sup>48</sup> The title of a wobbly song. The IWW were fond of detourning popular contemporary music, adapting their lyrics as propaganda for their militant activities.

<sup>49</sup> See the *Wildcat* pamphlet *Outside and Against the Unions* and the discussion of this in *Echanges et Mouvement*.

<sup>50</sup> 'Detroit takes on tones of '89 coal walkout', *Detroit News*, June 16th, 1996





As bricks, bottles and sticks rained on the Detroit cops during mass pickets of up to 3,000 strikers and their supporters, the unions applied to the National Labor Relations Board (NLRB) for a hearing to determine whether the strike was caused by 'unfair labor practices'. The involvement of the NLRB, a legacy of the New Deal, highlighted the role of social democratic institutions in demobilizing the working class. Although the NLRB was quicker to define picketing rather than casualization as an 'unfair labour practice', the use of a Federal racketeering suit against the six unions, and eventually against the UAW as well, suggests that the NLRB was insufficient to compel the unions to control the class anger they had unleashed. According to the NLRB, the unions violated an informal agreement banning violence and sabotage, so the unions accepted a legally binding agreement which eventually had to be backed up by fines.

It seems that the US union bureaucracy is having considerable difficulty in maintaining control over the class antagonism it has been attempting to harness. The union leaders were as surprised as anybody by the eruption of class violence at a recent construction workers' rally in New York, which left 18 cops injured and caused consternation among the yuppies of Manhattan. Having prepared for 10,000, the cops were overwhelmed by the turnout of 40,000 in what amounted to a mass, one-day wildcat strike. The predictable response of the construction unions was to cancel plans for a further rally. Ironically, the issue behind this conflict of the workers and the union was an attempt to re-establish unionization in the New York construction industry. Thus in order to reverse their long-term decline US unions have had to mobilize the working class against capital. However in the process of negotiating the price of labour within capital, unions also need to be able to reduce the working class to labour-power, which means demobilizing the working class. To be taken seriously by employers, unions must be able to mobilize workers, but in doing so they risk losing control of them. In this sense, trade unions are an expression of the contradiction of working class autonomy, of a class both within and against capital.

On the other hand, the unions have managed to keep the recent strikes sectional, reflecting the tendency for class consciousness to become subsumed in 'job consciousness' in

the US working class.<sup>51</sup> It is useful to contrast the recent wave of strikes with the struggles of the '30s and '40s, especially in the light of the recent GM strike's origins in the town which provided the nucleus of the sit-in strike fever - Flint, Michigan. As with most of the labour struggles of the '30s, the pretext for this occupation was the contestation of the new social democratic institutions embodied in the New Deal (the NLRB, the NRA, and so on). But the audacity of seizing and holding 'one of the most expensive piece of corporate real estate in the world'<sup>52</sup> offered a direct challenge to the power of the state and its laws of private property. The CIO and UAW leaders were forced to back them, and were powerless to stop the movement from escalating. In the end the CIO was able to use this movement to consolidate its power, so that Flint became a 'union town', an expression of working class entrenchment. Nevertheless, the second world war saw a movement which achieved an exemplary autonomy and antagonism in relation to the unions. The contradiction between proletarian subjectivity and its representation via unions was apparent in the fact that most voting UAW members voted to maintain the no-strike deal, although the majority of workers in the motor industry went on strike shortly after.<sup>53</sup>

In contrast, the recent wave of strikes have largely been initiated through the official channels of the unions, partly under pressure from the rank-and-file, partly as a rear-guard action against their own marginalization, reflecting the comparative weakness of the proletariat. In Britain, this weakness seems even more irreversible, though the solidarity demonstrated by American longshoremen towards the sacked Liverpool dockers reminds us that struggles in the USA and UK are inextricably linked. With this in mind, we now turn to a consideration of the prospects for social democracy in the UK, where Blair's coronation followed a Clinton-style presidential campaign.

### Social democracy in the '90s and beyond

The limitations of the USA's revival pale into insignificance when compared with the weakness of the working class in Britain, which has yet to see any comparable developments. As we have seen, the last two decades have seen the retreat of social democracy in the UK, and the USA installed as the social model for the renegotiation of the post-war settlement. Blair has continued this trend, venerating Clinton's policies as the model for a 'third way' between social democracy and the free market New Right. New Labour even echoes Roosevelt in the name of its US-style workfare programme. However, Roosevelt's 1930s and Blair's 1990s New Deal have little in common historically. Roosevelt had to bail the banks out to avert financial collapse. By contrast, Blair inherited a growing economy and falling unemployment

<sup>51</sup> A notable exception was *Detroit News*, which united six different unions and attracted support from members of the UAW, a union not directly affected by the dispute.

<sup>52</sup> 'The Flint Sitdown Strike 60th Anniversary', *Detroit Journal NEWS*, Sunday 29th December. *DNJ* is the newspaper of the striking Detroit newspaper workers.

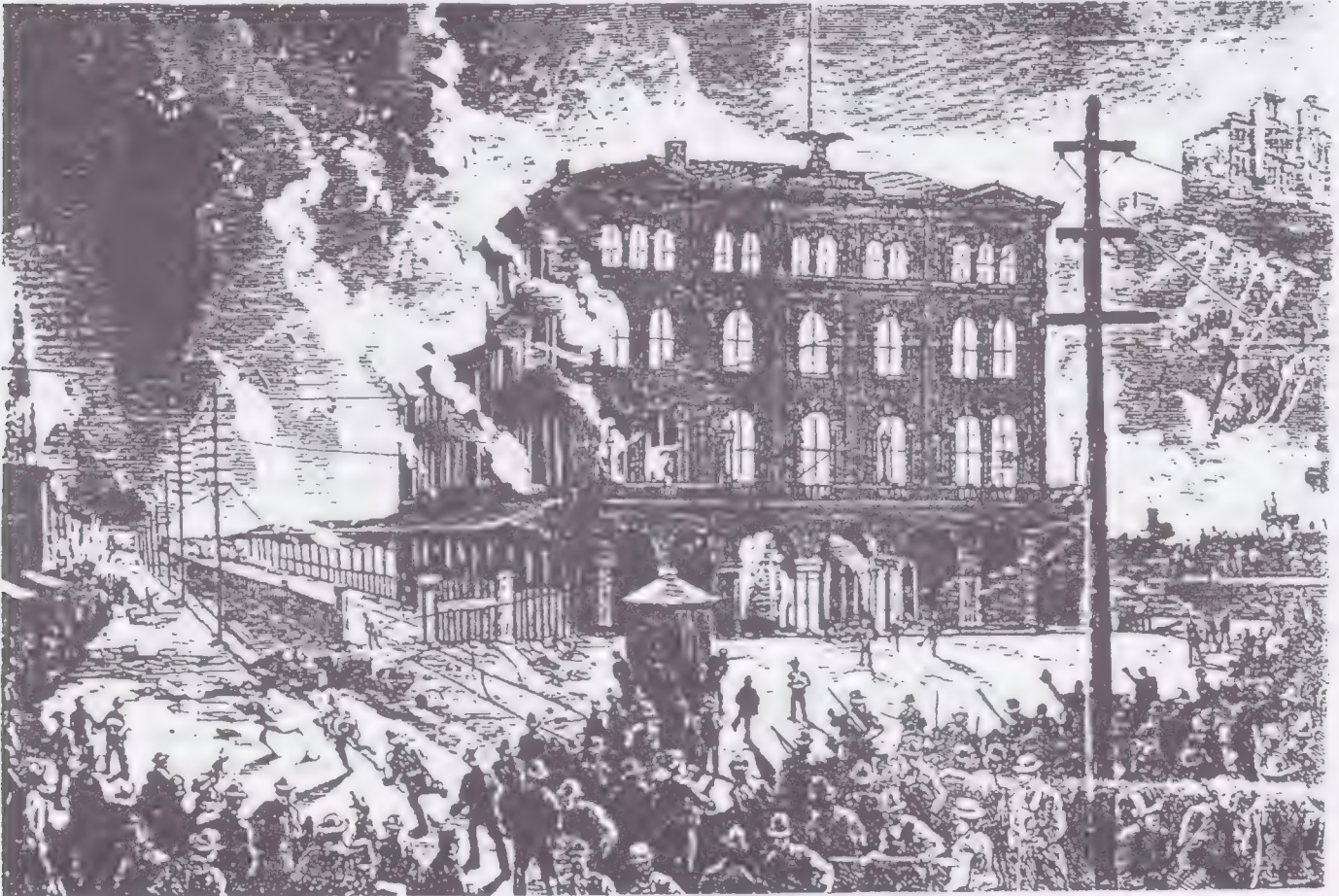
<sup>53</sup> See Glaberman *op. cit.*



from the Tories! More importantly, the 1930s New Deal in America, whose work-schemes were often voluntary, reflected the threat of working class antagonism and was used by militants as an opportunity for contestation; but Blair's compulsory 'welfare to work' programme, like the US workfare schemes which inspired it, is symptomatic of the defeat of the working class in both countries and extends the imposition of the regime of 'labour flexibility'.

But individual capitals have been slow to respond to the

to carry out this task effectively. The problems of the US trade and budget deficits had been laid to rest, and it was enjoying an economic revival; nevertheless recent events have shown how rapidly capitalism can plunge into crisis with the prospect of financial meltdown in the Far East - not to mention the financial collapse in Russia. Facing the possibility of its own negation, it is possible to see the attractions for the bourgeoisie in a revival in social democratic forms both for mediation of working class needs



needs of UK capital-in-general, and Labour's New Deal is under threat from the very problems it was intended to solve. Employers have been lukewarm in their response to the scheme, and have been conceding private sector wage claims, pushed up by labour shortages in areas such as skilled construction. House prices have been falling as estate agents anticipate a repeat of the collapse of the 1980s housing boom. The pound's strength against the DM has led to renewed fears of stagflation, with factories laying people off at the highest rate for five years and Rover imposing a four day week on its workforce, the government will have a job persuading them to employ and train New Deal people. The Employment Service will be under pressure to force more claimants to take unsubsidized jobs with no training.

In our previous issue we remarked that Blairism had emerged in a period when the crisis of the '70s had been resolved in favour of capital by the Thatcher's radical renegotiation of the post-war settlement. Blair appeared to the bourgeoisie as a means of consolidating the gains of Thatcherism in a period of relative economic social stability, at a time when the Tories had become too weak and divided

and, more to the point in a period of crisis, imposing capital's needs on the working class.<sup>54</sup>

The recent wildcat strike in Glasgow social services was blamed in the bourgeois press on the election of a leftist shop-steward; but surely what must be really worrying them is that 2,000 workers were willing to take wildcat strike action against a Labour council. UNISON's role in ending the wildcat strike and its subsequent ballot for official strike action shows that Labour still needs the unions to police its members.

However, it seems unlikely that social democracy will re-emerge as the dominant form of mediating working class needs at a national level. The post-war order in which social democracy matured presupposed a structure of distinctly

<sup>54</sup> We are seeing this in Korea at the moment where the unions are rallying to the national interest in order to impose the IMF-directed job-cuts, privatizations and other austerity measures. Instead of pushing the price of labour-power up, they are negotiating wage-cuts, extended unpaid holidays and increased working hours. Their main role of course is that of demobilizing a working class that is moving to radical actions such as factory occupations.



defined poles of national accumulation - national economies - with money-capital subordinated to the accumulation of national capital. With the increasing fluidity of global finance capital, the cohesion of the nation state and its ability to intervene in the market has been undermined. Blairism represented an acknowledgement of the impossibility of reversing the legacy of the Thatcher years. Having given the Bank of England complete autonomy over the control of interest rates, the Labour Government has abandoned any attempt to accommodate the needs of the working class.

### Conclusion

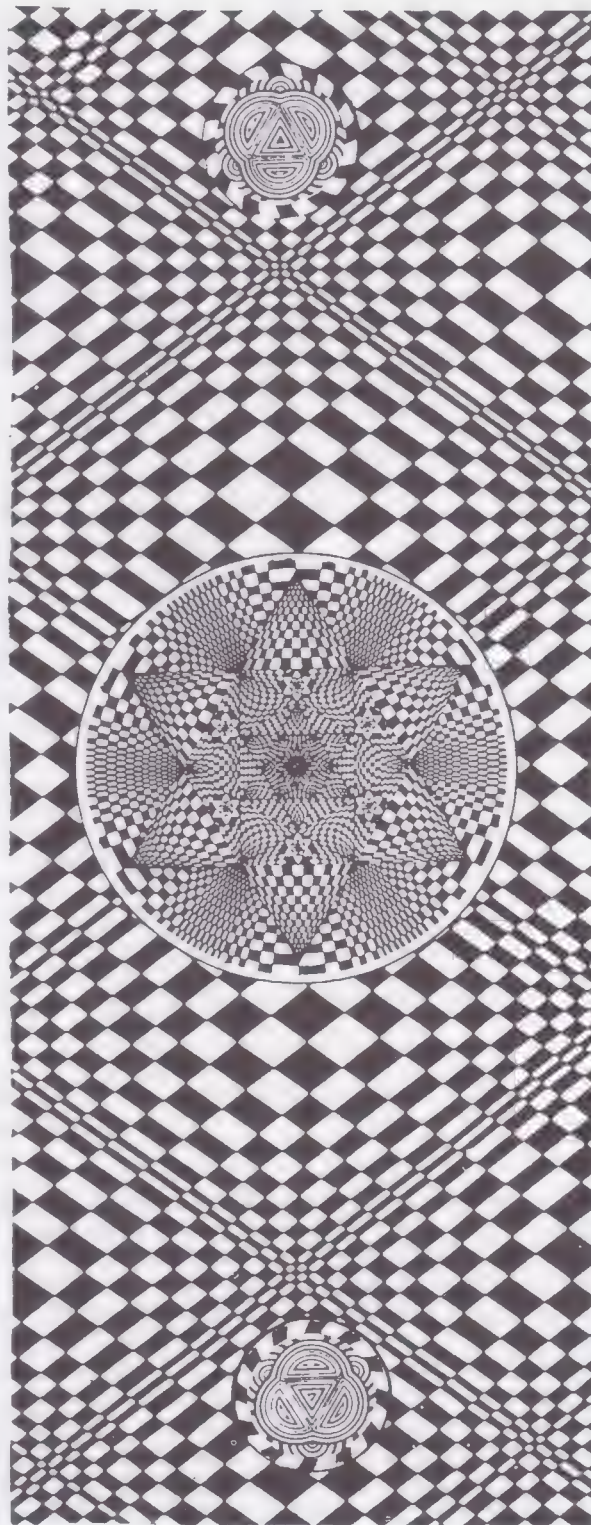
This analysis of recent US labour struggles has sought to show the relevance of tendencies originating in America to the development of social democracy, both here and on the continent. We began by commenting on the influence of the Democrats on the British Labour Party generally and in particular its role in New Labour's abandonment of social democracy under Blair, in favour of more liberal ideologies such as 'communitarianism', which relate to the working class not as a class but as an interest group or as atomized bourgeois customer-citizens. We examined social democracy's transition from a movement of opposition, expressed in union militancy and embryonic labour parties, to its expression in state intervention, Keynesian demand management, Fordism and corporatism (in America, happening through the medium of a non-social democratic party - the Democrats). At this stage, the unions themselves became integrated within the state, as US capital sought to use its hegemonic role to reorient global accumulation around the needs of military expansion.

Then we saw how the working class forced social democracy into crisis by the self-valorization and expansion of its needs, and the response to the crisis by the out-flanking of the working class by capital flight. The retreat of social democracy was accompanied by a succession of defeats for both the US and UK working class, and a decline in the size and influence of the unions in both countries. Our examination of the recent revival of industrial militancy in the USA tended towards the conclusion that it represented a rear-guard action by the unions against their continuing marginalization. The renewed confidence and militancy of the working class is also linked to Clinton's success in balancing the books. The resulting economic expansion has minimized the disciplinary power of unemployment, but has also subjected workers to speed-ups and other work intensification.

The movement of the 1930s and 1940s showed that struggles over emerging social democratic forms could provide opportunities for the development of proletarian subjectivity. The resulting institutions were used to police and pacify the working class until its needs outgrew social democratic forms. The recent labour struggles in the USA show the possibility of new struggles over social democratic forms, in an age where the comparative decline of US capital has limited their ability to mediate working class needs.

Traditional social democratic methods of mediation which presupposed a 'national interest' have been undermined by the mobility of money-capital, leading to

Clinton and Blair's embracing of 'neo-liberalism'. However, the threat of global financial meltdown has exposed the instability of capitalism, raising the possibility of a future revival of some form of social democratic mediation of working class needs on a continental or bloc level. Moreover, at present, in the United States, as well as in Korea and elsewhere, struggles are taking place in which proletarians are coming up against the repressive side of social democratic forms such as unions - and hence invite the possibility of going beyond these forms.





# What was the USSR?

Towards a theory of the deformation of value under state capitalism

## Part II: Russia as a non-mode of production



*The adventures of Ticktin in Russia*

Here we present the second part of our article 'What was the USSR?'. In our last issue, we dealt with Trotsky's theory that it was a 'degenerated workers' state', and the best known theory of state capitalism which has emerged within Trotskyism - that of Tony Cliff. Our original intention was to follow that up by dealing with both the less well-known theories of state capitalism developed by the left communists and with Hillel Ticktin's theory that sees itself as going beyond both Trotsky's theory and the state capitalist alternative. Due to foreseeable circumstances totally within our control, we have been unable to do this. Therefore we have decided not to combine these sections, and instead here

complete the trajectory of Trotskyism with an account and critique of Ticktin's theory, and put off our treatment of the left communists till our next issue. However, this effective extension of the article's length leads us to answer some questions readers may have. It can be asked: Why bother giving such an extended treatment to this question? Isn't the Russian Revolution and the regime that emerged from it now merely of historical interest? Shouldn't we be writing about what is going on in Russia now? One response would be to say that it is not possible to understand what is happening in Russia now without grasping the history of the USSR. But,



while that is true to an extent, the detail we are choosing to give this issue does deserve more explanation.

As Loren Goldner puts it, in a very interesting article published in 1991:

*Into the mid-1970's, the 'Russian question' and its implications was the inescapable 'paradigm' of political perspective on the left, in Europe and the U.S. and yet 15 years later seems like such ancient history. This was a political milieu where the minute study of the month-to-month history of the Russian Revolution and the Comintern from 1917-1928 seemed the key to the universe as a whole. If someone said they believed that the Russian Revolution had been defeated in 1919, 1921, 1923, 1927, or 1936, or 1953, one had a pretty good sense of what they would think on just about every other political question in the world: the nature of the Soviet Union, of China, the nature of the world CPs, the nature of Social Democracy, the nature of trade unions, the United Front, the Popular Front, national liberation movements, aesthetics and philosophy, the relationship of party and class, the significance of soviets and workers' councils, and whether Luxemburg or Bukharin was right about imperialism.<sup>1</sup>*

However, that period seems to be at a close. It seems clear that the Russian Revolution and the arguments around it will not have the same significance for those becoming involved in the revolutionary project now as it did for previous generations.

Posing the issue slightly differently, Camatte wrote in 1972: 'The Russian Revolution and its involution are indeed some of the greatest events of our century. Thanks to them, a horde of thinkers, writers and politicians are not unemployed.'<sup>2</sup> Camatte usefully then draws attention to the way that the production of theories on the USSR has very often served purposes quite opposed to that of clarification of the question. To be acknowledged as a proper political group or - as Camatte would say - gang, it was seen as an essential requirement to have a distinctive position or theory on the Soviet Union. But if Camatte expressed reluctance to 'place some new goods on the over-saturated market', he nonetheless and justifiably thought it worthwhile to do so. But is our purpose as clear? For revolutionaries, hasn't the position that the Soviet Union was (state-) capitalist and opposed to human liberation become fairly basic since '68? Haven't theories like Trotsky's that gave critical support to the Soviet Union been comprehensively exposed? Well, yes and no. To simply assert that the USSR was another form of capitalism and that little more need be said is not convincing.

Around the same time as Camatte's comments, the Trotskyist academic Hillel Ticktin began to develop a theory of the nature and crisis of the Soviet system which has come to hold a significant status and influence.<sup>3</sup> Ticktin's theory,

with its attention to the empirical reality of the USSR and its consideration of the specific forms of class struggle it was subject to, is certainly the most persuasive alternative to the understanding of the USSR as capitalist. But again it can be asked who really cares about this issue? Ultimately we are writing for ourselves, answering questions we feel important. To many it seems intuitively the politically revolutionary position - to say the Soviet Union was (state) capitalist and that is enough. We'd contend, however, that a position appears to be revolutionary does not make it true, while what is true will show itself to be revolutionary. For us, to know that Russia was exploitative and opposed to human liberation and to call it capitalist to make one's condemnation clear is not enough. The importance of Marx's critique of political economy is not just that it condemns capitalism, but that it understands it better than the bourgeoisie and explains it better than moralistic forms of criticism. The events in Russia at the moment, which reflect a profound failure to turn it into an area for the successful accumulation of value, show that in some ways the question of the USSR is not over. In dealing with this issue we are not attempting to provide the final definitive solution to the Russian question. Theory - the search for practical truth - is not something that once arrived at is given from then on; it must always be renewed or it becomes ideology.

## The origins of Ticktin's theory of the USSR

### Introduction

In Part I we gave a lengthy treatment of what has probably been the best known critical theory of the Soviet Union: Leon Trotsky's theory of the 'degenerated workers' state'. While critical of the privileges of the Stalinist bureaucracy, lack of freedom and workers' democracy, Trotsky took the view that the formal property relations of the USSR - i.e. that the means of production were not private property but the property of a workers' state - meant that the USSR could not be seen as being capitalist, but was instead a transitory regime caught between capitalism and socialism which had degenerated. It followed from this that, for Trotsky, despite all its faults and monstrous distortions, the Soviet Union was ultimately progressive. As such, the Soviet Union was a decisive advance over capitalism which, by preserving the proletarian gains of the October Revolution, had to be defended against the military and ideological attacks of the great capitalist powers.

However, as we saw, for Trotsky the Soviet Union's predicament could not for last long. Either the Russian working class would rise up and reassert control over their state through a political revolution which would depose the bureaucracy, or else the bureaucracy would seek to preserve its precarious position of power by reintroducing private property relations and restoring capitalism in Russia. Either way, for Trotsky, the rather peculiar historical situation in which Russian society found itself, stuck half-way between capitalism and socialism, could only be a fleeting phenomena. Indeed, Trotsky believed that this situation would be resolved one way or another in the immediate aftermath of the second world war.

combining some of Ticktin's ideas with others from the autonomist and left communist traditions.

<sup>1</sup> Loren Goldner *Communism is the Material Human Community* (Collective Action Notes, POB 22962, Balto., MD 21203, USA.) Also published as 'Amadeo Bordiga, the Agrarian Question and the International Revolutionary Movement', in *Critique* 23, 1991.

<sup>2</sup> Jacques Camatte, *Community and Communism in Russia*.

<sup>3</sup> This influence is not confined to the Leninist left. The recent book from Neil Fernandez - *Capitalism and Class Struggle in the USSR* - while opposed to Ticktin's Leninism acknowledges his work as a 'major theoretical achievement' in terms of grasping the forms taken by the class struggle in the Soviet Union. The journal *Radical Chains* has attempted to develop revolutionary critique by



Yet, as we now know, Trotsky's prediction that the Soviet Union would soon be either overthrown by a workers' revolution or else revert back to capitalism with the bureaucracy converting itself into a new Russian bourgeoisie failed to come about. Instead the USSR persisted for another forty years rendering Trotsky's theory increasingly untenable. As a consequence many Trotskyists were led to break from the orthodox Trotskyist position regarding Russia to argue that the USSR was state capitalist. In Britain the main debate on the nature of Russia arose between orthodox Trotskyism's 'degenerated workers' state' and the neo-Trotskyist version of state capitalism developed by Tony Cliff. As we pointed out in Part I, while the orthodox Trotskyist account obviously had big problems, this alternative theory of state capitalism had three vital weaknesses: 1) Cliff's attempt to make the point of counter-revolution and the introduction of state capitalism coincide with Stalin's first five year plan (and Trotsky's exile); 2) his denial that the law of value operated within the USSR; and 3) his orthodox Marxist insistence that state capitalism was the highest stage of capitalism which implied that the USSR was more advanced than Western capitalism.<sup>4</sup>

As a result, throughout the post-war era, orthodox Trotskyists were able dogmatically to defend Trotsky's theory of the USSR as a degenerated workers' state; they were content that, while the rival state capitalist theory may appear more politically intuitive, their own was more theoretically coherent. Indeed, with the collapse of the Soviet Union in 1990, many Trotskyists felt vindicated in that Trotsky's predictions of the possible restoration of capitalism now seemed to have been proved correct, albeit rather belatedly.<sup>5</sup>

However, there have been a few more sophisticated Trotskyists who, in recognizing the inadequacies of the theory of the USSR as a degenerated workers' state, have sought to develop new conceptions of what the USSR was and how it came to collapse. One of the most prominent of these has been Hillel Ticktin.

#### **Ticktin and the reconstruction of Trotskyism**

By the 1970s, the chronic economic stagnation and gross economic inefficiencies of Brezhnev's Russia had become widely recognized. Few 'sovietologists' were not now sceptical of the production figures pumped out by the Soviet authorities; and everyone was aware of the long queues for basic necessities and the economic absurdities that seemed to characterize the USSR.

Of course, Trotsky himself had argued that, in the absence of workers' democracy, centralized state planning would lead to waste and economic inefficiency. Yet, for Trotsky, it had been clear that, despite such inefficiencies, bureaucratic planning would necessarily be superior to the

anarchy of the market. Yet it was now becoming apparent that the gross inefficiencies and stagnation of the economy of the USSR were of such a scale compared with economic performance in the West that its economic and social system could no longer be considered as being superior to free market capitalism.

In response to these perceptions of the USSR, orthodox Trotskyists, while accepting the inefficiencies of bureaucratic planning, could only argue that the reports of the economic situation in the Soviet Union were exaggerated and obscured its real and lasting achievements. Yet it was a line that not all Trotskyists found easy to defend.

As an academic Marxist specializing in the field of Russian and East European studies, Ticktin was could not ignore the critical analyses of the Soviet Union being developed by both liberal and conservative 'sovietologists'. In the face of the mounting evidence of the dire state of the Russian economy it was therefore perhaps not so easy for Ticktin to simply defend the standard Trotskyist line. As a result Ticktin came to reject the orthodox Trotskyist theory of the USSR as a degenerated workers' state and the notion that the Soviet Union was objectively progressive that this theory implied.

However, while he rejected the theory of the USSR as a degenerated workers' state, Ticktin refused to accept the notion that the USSR was state capitalist. Immersed in the peculiarities of the Soviet Union, Ticktin maintained the orthodox Trotskyist position that state capitalist theories simply projected the categories of capitalism onto the USSR. Indeed, for Ticktin the failure of all Marxist theories of the Soviet Union was that they did not develop out of the empirical realities of the USSR. For Ticktin the task was to develop a Marxist theory of the USSR that was able to grasp the historical peculiarities of the Soviet Union without falling foul of the shallow empiricism of most bourgeois theories of the USSR.

However, in rejecting Trotsky's theory of the USSR as a degenerated workers' state Ticktin was obliged to undertake a major re-evaluation of Trotsky. After all, alongside his theory of permanent revolution and uneven and combined development, Trotsky's theory of the degenerated workers' state had been seen as central to both Trotsky and Trotskyism. As Cliff's adoption of a theory of state capitalism had shown, a rejection of the theory of a degenerated workers' state could prove problematic for anyone who sought to maintain a consistent Trotskyist position. However, as we shall see, through both his re-evaluation of Trotsky and the development of his theory of the USSR, Ticktin has been able to offer a reconstructed Trotskyism that, by freeing it from its critical support for the Soviet Union, has cut the umbilical cord with a declining Stalinism, providing the opportunity for a new lease of life for Leninism in the post-Stalinist era.<sup>6</sup>

<sup>4</sup> With the growing crisis in the USSR in the 1980s, there were several attempts by leading theoreticians within the Socialist Workers Party to revise Cliff's theory of state capitalism to overcome its inherent weaknesses.

<sup>5</sup> The collapse of the USSR has forced a major rethink amongst both Trotskyists and Stalinists. One of the first attempts to draw together the various positions on the USSR was made in *Open Polemic* no.s 4 & 5.

<sup>6</sup> In fact, Ticktin's theory has assumed a strong role among the remnants of the British far left that goes beyond just Trotskyism. The ideological crisis that has accompanied the collapse of the USSR has led the smaller groups to some fairly serious rethinking. Ticktin's theory seems to offer the best hope of keeping their Leninist assumptions while fundamentally disentangling themselves from what has happened in Russia. Showing some of the strange



### Ticktin and Trotsky's theory of the transitional epoch

For orthodox Trotskyism, the theory of the USSR as a degenerated workers' state stood alongside both the theory of combined and uneven development and the theory of permanent revolution as one of the central pillars of Trotsky's thought. For Ticktin, however, the key to understanding Trotsky's ideas was the notion of the *transitional epoch*. Indeed, for Ticktin, the notion of the transitional epoch was the keystone that held the entire structure of Trotsky's thought together, and it was only by fully grasping this notion that his various theories could be adequately understood.

Of course, the notion that capitalism had entered its final stage and was on the verge of giving way to socialism had been commonplace amongst Marxists at the beginning of this century. Indeed, it had been widely accepted by most leading theoreticians of the Second International that, with the emergence of monopoly capitalism in the 1870s, the era of classical capitalism studied by Marx had come to an end. As a result the contradictions between the socialization of production and the private appropriation of wealth were becoming ever more acute and could be only be resolved through the working class coming to power and creating a new socialist society.

Faced with the horrors and sheer barbarity of the first world war, many Marxists had come to the conclusion that capitalism had entered its final stage and was in decline. While nineteenth century capitalism, despite all its faults, had at least served to develop the forces of production at an unprecedented rate, capitalism now seemed to offer only chronic economic stagnation and total war. As capitalism entered its final stage the fundamental question could only be 'war or revolution', 'socialism or barbarism'.<sup>7</sup>

Yet while many Marxists had come to the conclusion that the first world war heralded the era of the transition from capitalism to socialism, Ticktin argues that it was Trotsky who went furthest in drawing out both the theoretical and political implications of this notion of the transitional epoch. Thus, whereas most Marxists had seen the question of transition principally in terms of particular nation-states, Trotsky emphasized capitalism as a world system. For Trotsky, it was capitalism as a world system that, with the first world war, had entered the transitional epoch. From this global perspective there was not some predetermined line of



capitalist development which each nation-state had to pass through before it reached the threshold of socialism. On the contrary the development of more backward economies was conditioned by the development of the more advanced nations.

It was to explain how the development of the backward nations of the world were radically reshaped by the existence of more advanced nations that Trotsky developed his theory of combined and uneven development. It was then, on the basis of this theory of combined and uneven development, that Trotsky could come to the conclusion that the contradictions of the transitional epoch would become most acute, not in the most advanced capitalist economies as most Marxists had assumed, but in the more backward nations such as Russia that had yet to make the full transition to capitalism. It was this conclusion that then formed the basis of Trotsky's theory of permanent revolution in which Trotsky had argued that in a backward country such as Russia it would be necessary for any bourgeois revolution to develop at once into a proletarian revolution.

Thus, whereas most Marxists had assumed the revolution would break out in the most advanced capitalist nations and, by destroying imperialism, would spread to the rest of the world, Trotsky, through his notion of the transitional epoch, had come to the conclusion that the revolution was more likely to break out in the more backward nations. Yet Trotsky had insisted that any such proletarian revolution could only be successful if it served to spark proletarian revolution in the more advanced nations. Without the aid of revolutions in these more advanced nations any proletarian revolution in a backward country could only degenerate.

Hence Trotsky was later able to explain the degeneration of the Russian Revolution. The failure of the revolutionary movements that swept across Europe following the end of the first world war had left the Russian Revolution

realignments that have followed the collapse of the USSR, a Ticktinian analysis of the USSR seems now to be the dominant position within the ex-Stalinist group previously known as the *Leninist*. Having reclaimed the CPGB title abandoned by the old Euro-Stalinists (now New Labourites), this group seems to be attracting quite a few homeless leftists to a project based on going back to the 1920 formation of the original CPGB before the split of Trotskyism and Stalinism. However, we'd suggest that, for Leninists, now that the USSR has collapsed, overcoming the division of Stalinism and Trotskyism is not too hard; understanding much less crossing the gap between Leninism and communism is a more difficult task.

<sup>7</sup> For a discussion of the different ways Trotskyism and left communism interpreted the meaning of these slogans, see Part I of our article 'Decadence: The theory of decline or the decline of theory?' in *Aufheben* 2 (summer 1993).



isolated. Trapped within its own economic and cultural backwardness and surrounded by hostile capitalist powers, the Russian workers' state could only degenerate. With this then we have the basis of Trotsky's theory of the USSR as a degenerated workers' state.

Yet the importance of Trotsky's notion of transitional epoch was not only that it allowed Trotsky to grasp the problems of transition on a world scale, but also that it implied the possibility that this transition could be a prolonged process. If proletarian revolutions were more likely at first to break out in less advanced countries it was possible that there could be several such revolutions before the contradictions within the more advanced nations reached such a point to ensure that such revolutionary outbreaks would lead to a world revolution. Further, as happened with the Russian Revolution, the isolation and subsequent degeneration of proletarian revolutions in the periphery could then serve to discredit and thereby retard the revolutionary process in the more advanced capitalist nations.

However, Ticktin argues that Trotsky failed to draw out such implications of his notion of the transitional epoch. As a result Trotsky severely underestimated the capacity of both social democracy and Stalinism in forestalling world revolution and the global transition to socialism. Armed with the hindsight of the post-war era, Ticktin has sought to overcome this failing in the thought of his great teacher.

For Ticktin then, the first world war indeed marked the beginning of the transitional epoch,<sup>8</sup> an epoch in which there can be seen a growing struggle between the law of value and the immanent law of planning. With the Russian Revolution, and the revolutionary wave that swept Europe from 1918-24, the first attempt was made to overthrow capitalism on a world scale. With the defeat of the revolutionary wave in Europe and the degeneration of the Russian Revolution, capitalism found the means to prolong itself. In the more advanced capitalist nations, under the banner of social democracy, a combination of concessions to the working class and the nationalization of large sections of industry allowed capitalism to contain the sharpening social conflicts brought about by the heightening of its fundamental contradiction between the socialization of production and the private appropriation of wealth.

Yet these very means to prevent communism have only served to undermine capitalism in the longer term. Concessions to the working class, for example the development of a welfare state, and the nationalization of large sections of industry have served to restrict and, as *Radical Chains* put it, 'partially suspend' the operation of the law of value.<sup>9</sup> With its basic regulatory principle - the law of value - being progressively made non-operational, capitalism is ultimately doomed. For Ticktin, even the more recent attempts by Thatcher and 'neo-liberalism' to reverse social democracy and re-impose the law of value over the last two decades can only be short lived. The clearest expression of this is the huge growth of parasitical finance capital whose

growth can ultimately only be at the expense of development truly productive industrial capital.

As for Russia, Ticktin accepts Trotsky's position that the Russian Revolution overthrew capitalism and established a workers' state, and that with the failure of the revolutionary wave the Russian workers' state had degenerated. However, unlike Trotsky, Ticktin argues that with the triumph of Stalin in the 1930s the USSR ceased to be a workers' state. With Stalin the bureaucratic elite had taken power. Yet, unable to move back to capitalism without confronting the power of the Russian working class, and unable and unwilling to move forward socialism since this would undermine the elite's power and privileges, the USSR became stuck half-way between capitalism and socialism.

As a system that was neither fish nor fowl - neither capitalism or socialism - the USSR was an unviable system. A system that could only preserve the gains of the October Revolution by petrifying them; and it was a system that could only preserve itself through the terror of the Gulag and the secret police.

Yet it was such a monstrous system that presented itself as being socialist and demanded the allegiance of large sections of the world's working class. As such it came to discredit socialism, and, through the dominance of Stalinism, cripple the revolutionary working class movement throughout the world for more than five decades. Thus, although the USSR served to restrict the international operation of the law of value by removing millions from the world market, particularly following the formation of the Eastern bloc and the Chinese Revolution, it also served to prolong the transitional epoch and the survival of capitalism.

By drawing out Trotsky's conception of the transitional epoch in this way, Ticktin attempted finally to cut the umbilical between Trotskyism and a declining Stalinism. Ticktin is thereby able to offer a reconstructed Trotskyism that is free to denounce unequivocally both Stalinism and the USSR. As we shall now see, in doing so Ticktin is led to both exalt Trotsky's theoretical capacities and pinpoint his theoretical weaknesses.

### **Ticktin and the failure of Trotsky**

Following Lenin's death, and with the rise of Lenin's personality cult, Trotsky had endeavoured to play down the differences between himself and Lenin. As a consequence, orthodox Trotskyists, ever faithful to the word of Trotsky, had always sought to minimize the theoretical differences between Lenin and Trotsky. For them Trotsky was merely the true heir to Lenin.

However, by focusing on Trotsky's key conception of the transitional epoch, Ticktin is able to cast new light on the significance of Trotsky's thought as a whole. For Ticktin, although he may well have been more politically adept than Trotsky, Lenin's overriding concern with immediate Russian affairs constrained the development of his theoretical thought at crucial points. In contrast, for Ticktin, the sheer cosmopolitan breadth of Trotsky's concerns in many respects placed Trotsky above Lenin with regards to theoretical analysis.

But raising the standing of Trotsky as a theorist only serves to underline an important question for Ticktin's

<sup>8</sup> See, again, our article 'Decadence' in *Aufheben* 2.

<sup>9</sup> See 'The leopard in the 20th century: Value, struggle and administration' in *Radical Chains* 4.





understanding of Trotsky. If Trotsky was so intellectually brilliant why did he persist in defending the USSR as a degenerated workers' state long after lesser intellects had recognized that such a position was untenable? To answer this Ticktin puts forward several explanations.

First of all Ticktin argues that Trotsky made the mistake of regarding Stalin as a 'centrist'.<sup>10</sup> Throughout the period of the New Economic Policy (NEP) what Trotsky feared more than anything was the restoration of capitalism through the emergence of a new class of capitalist farmers and middlemen. For Trotsky at this time, Stalin, and the bureaucratic forces that he represented, was a bulwark against danger of capitalist restoration. He was a lesser of two evils. Thus Trotsky had always ended up deferring to Stalin rather than risk the triumph of the Right. It was this attitude towards Stalin as a centrist that was carried through

<sup>10</sup> The notion of centrism had originally been applied to those within the Second International who sought to combine a commitment to proletarian revolution with a reformist practice - a position best exemplified by Karl Kautsky.

in Trotsky's perception of Stalin's Russia throughout the 1930s.

While this immediate political orientation might explain the origin of Trotsky's position with regard to Stalin's Russia of the 1930s it does not explain why he persisted with it. To explain this Ticktin points to the circumstances Trotsky found himself in. Ticktin argues that with his exile from the USSR Trotsky found himself isolated. Being removed from the centre of political and theoretical activity and dulled by ill health and old age the sharpness of Trotsky's thought began to suffer. As a result, in the final few years of his life Trotsky could only cling to the positions that he had developed up as far as the early 1930s.

The decline of Trotsky's thought was further compounded by the weakness of rival theories of the USSR with the Trotskyist movement. As we saw in Part I, Trotsky was easily able to shoot down the theory originally put forward by Bruno Rizzi, and later taken up by the minority faction within the American SWP, which argued that the USSR was a new mode of production that could be described as bureaucratic collectivism. The ease with which Trotsky was able to dismiss such rival theories of the nature of the USSR as being unMarxist meant that he was not obliged seriously to reconsider his own position on the Soviet Union.

Yet, as Ticktin recognizes, while such circumstantial explanations as old age, exile and lack of credible alternatives may have contributed to an understanding of why Trotsky failed to radically revise his theory of the nature of Stalin's Russia they are far from constituting a sufficient explanation in themselves. For Ticktin there is a fundamental theoretical explanation for Trotsky's failure to develop his theory of the USSR at this time which arises due to Trotsky's relation to Preobrazhensky.

For Ticktin, the fundamental obstacle which prevented Trotsky from developing his critique of the USSR is to be found in the very origins of this critique. As we saw in Part I, Trotsky's theory of the USSR as a degenerated workers' state originated from earlier criticisms of the Party leadership and the NEP that had been advanced by the Left Opposition during the 1920s. In advancing these criticisms, there had been a distinct division of labour. Trotsky, as the sole member of the Left Opposition within the Politburo, had concentrated on the broad political issues and detailed questions of policy. Preobrazhensky, on the other hand, had been left to set out the 'economics' which underlay these political and policy positions of the Left Opposition.

As we saw in Part I, Preobrazhensky had sought to develop a political economy for the period of the transition of Russia from capitalism to socialism in terms of the struggle between the two regulating mechanisms of capitalism and socialism that had been identified by the classical Marxism of the Second International. For the orthodox Marxism of the Second International, the basic regulating principle of capitalism was the blind operation of the 'law of value'. In contrast, the basic regulating principle of socialism was to be conscious planning. From this Preobrazhensky had argued that during the period of transition from capitalism to socialism these two principles of economic organization would necessary co-exist and as such would be in conflict with each other.



However, for Preobrazhensky, in the relatively backward conditions prevailing in Russia there was no guarantee that the principle of planning would prevail over the law of value on purely economic grounds. Hence, for Preobrazhensky, it was necessary for the proletarian state to actively intervene in order to accelerate accumulation in those sectors of the economy, such as state industry, where the principle of planning predominated at the expense of those sectors, such as peasant agriculture, where the law of value still held sway. It was this theory of 'primitive socialist accumulation' which had underpinned the Left Opposition's criticisms of the NEP and their advocacy of an alternative policy of rapid industrialization.

When Stalin finally abandoned the NEP in favour of centralized planning embodied in the five year plans many members of the Left Opposition, including Preobrazhensky himself, took the view that the Party leadership had finally, if rather belatedly, come round to their position of rapid industrialization. As a consequence, Preobrazhensky along with other former members of the Left Opposition fully embraced Stalin's new turn and fell in line with leadership of the Party. Trotsky, on the other, maintained a far more critical attitude to Stalin's new turn.

Of course, even if he had wanted to, Trotsky was in no position to fall in behind Stalin and the leadership of the Party. Trotsky was too much of an enemy and rival to Stalin for that. However, Trotsky's broader political perspective allowed him to maintain and develop a critique of Stalin's Russia. While Trotsky welcomed Stalin's adoption of a policy of centralized planning and rapid industrialization he argued that it was too long delayed. The sudden zig-zags of policy from one extreme position to another were for Trotsky symptomatic of the bureaucratization of the state and Party and indicated the degeneration of Russia as a workers' state.

Through such criticisms Trotsky came to formulate his theory of the USSR as a degenerated workers' state. Yet while Trotsky was able to develop his critique of the new Stalinist regime in political terms, that is as the political domination of a distinct bureaucratic caste that had taken over the workers' state, he failed to reconsider the political economy of Stalin's Russia. In accordance with the old division of labour between himself and Preobrazhensky, Trotsky implicitly remained content with the political economy of transition that had been advanced in the 1920s by Preobrazhensky.

For Ticktin it was this failure to develop Preobrazhensky's political economy of transition in the light of Stalin's Russia that proved to be the Achilles' heel of Trotsky's theory of the USSR as a degenerated workers' state. Of course, given that Trotsky could at the time reasonably expect the USSR to be a short-lived phenomenon he could perhaps be excused from neglecting the long and arduous task of developing a political economy of the USSR. For Ticktin, his followers have had no such excuse. As we shall now see, for Ticktin the central task in developing Trotsky's analysis of the nature of the Soviet Union has been to develop a political economy of the USSR.

## Ticktin and the political economy of the USSR

So, for Ticktin, the Achilles' heel of Trotsky's theory of the USSR as a degenerated workers' state was his failure to develop a political economy of Stalinist Russia. Yet, at the same time, Ticktin rejected the notion that the USSR was in any way capitalist. For him, Trotsky had been correct in seeing the October revolution, and the subsequent nationalization of the means of production under a workers' state, as a decisive break from capitalism. As such any attempt to develop a political economy of the USSR could not simply apply the categories developed by Marx in his critique of capitalism since the USSR had ceased to be capitalist. Instead it was necessary to develop a new political economy of the USSR as a specific social and economic system.

Ticktin began his attempt to develop such a political economy of the USSR in 1973 with an article entitled 'Towards a political economy of the USSR' which was published in the first issue of *Critique*. This was followed by a series of articles and polemics in subsequent issues of *Critique* and culminated, 19 years later, with his *Origins of the Crisis in the USSR: Essays on the Political Economy of a Disintegrating System*. Although Ticktin's work undoubtedly provides important insights into what the USSR was and the causes of its crisis and eventual collapse - and as such provides an important challenge to any alternative theory of the USSR - after all these years he fails to provide a systematic political economy of the USSR. As the subtitle to *Origins of the Crisis in the USSR* indicates, his attempt to develop a political economy of the USSR was overtaken by events and all we are left with is a series of essays which seek to link his various attempts to develop a political economy of the USSR with an explanation of the Soviet Union's eventual demise.

As we shall argue, this failure to develop a systematic presentation of a political economy of the USSR was no accident. For us it was a failure rooted in his very premise of his analysis which he derives from Trotsky. Yet before considering such an argument we must first of all briefly review Ticktin's attempt to develop a political economy of the USSR.

### A question of method?

The task facing Ticktin of developing a Marxist political economy of the USSR was not as straightforward as it may seem. What is political economy? For Marx, political economy was the bourgeois science *par excellence*. It was the science that grew up with the capitalist mode of production in order to explain and justify it as a natural and objective social and economic system. When Marx came to write *Capital* he did not aim to write yet another treatise on political economy of capitalism - numerous bourgeois writers had done this already - but rather he sought to develop a *critique* of political economy.

However, even if we admit that in order to make his critique of political economy Marx had to develop and complete bourgeois political economy, the problem remains of how far can a political economy be constructed for a mode of production other than capitalism? After all it is only with the rise capitalism, where the social relations come to



manifest themselves as relations between things, that the political economy as an objective science becomes fully possible. But this is not all. Ticktin is not merely seeking to develop a political economy for a mode of production other than capitalism but for system in transition from one mode of production to another - indeed for a system that Ticktin himself comes to conclude is a '*non-mode of production*'!

Unfortunately Ticktin not only side-steps all these preliminary questions, but he also fails to address the most important methodological questions of how to begin and how to proceed with his proposed 'political economy' of the USSR. Instead he adopts a rather heuristic approach, adopting various points of departure to see how far he can go. It is only when these reach a dead end that we find Ticktin appealing to questions of method. As a result we find a number of false starts that Ticktin then seeks to draw together. Let us begin by briefly examine some of these false starts.

class analysis may have in explaining certain political developments within the USSR, it does not itself amount to a 'political economy of the USSR'. Indeed, if we take Marx's *Capital* as a 'model of a political economy', as Ticktin surely does, then it is clear that class analysis must be a result of a political economy not its premise.<sup>11</sup>

#### Laws

If 'class' proves to be a non-starter in developing a political economy of the USSR then a more promising starting point may appear to be an analysis of the fundamental laws through which it was regulated. Of course, as we have seen, this was the approach that had been pioneered by Preobrazhensky and adopted by Trotsky and the Left Opposition in the 1920s. Preobrazhensky had argued that the nature of the transition from capitalism to socialism had to be grasped in terms of the conflict between the two regulating mechanism of capitalism and socialism: that is



#### Class

In *Origins of the Crisis in the USSR*, Ticktin begins with an analysis of the three main groups and classes that could be identified within the USSR: namely, the elite, the Intelligentsia and the working class. Through this analysis Ticktin is then able to develop a framework through which to understand the social and political forces lying behind the policies of Glasnost and Perestroika pursued in the final years of the USSR's decline. Yet, despite the usefulness such

between the law of value and the law of planning. Indeed, as we have also seen, one of Ticktin's most important criticisms of Trotsky was his failure to develop Preobrazhensky's political economy of the Soviet Union after the triumph of Stalin in the early 1930s.

<sup>11</sup> In Marx's *Capital* the question of class is not presented until the very end of Volume III.



It is not surprising then that we find Ticktin repeatedly returning to this line of approach in his various attempts to develop a political economy of the USSR. Ticktin proceeds by arguing that Preobrazhensky's theory was correct for Russia up until the collectivization of agriculture and the first five year plan. Up until then there had existed a large market-oriented peasant agricultural sector alongside a state-owned and planned industrial sector (although even this was still based on quasi-autonomous enterprises run on a 'profit and loss' criteria). As such, the 'law of planning'<sup>12</sup> and the law of value co-existed as distinct regulating mechanisms - although they both conflicted and conditioned each other through the relations both between and within the industrial and the agricultural sectors of the economy.

With the abolition of peasant agriculture through forced collectivization, and the introduction of comprehensive central planning geared towards the rapid industrialization of Russia, the two laws could no longer co-exist as distinct regulatory mechanisms that predominated in different sectors of the economy. The two laws 'interpenetrated' each other, preventing each other's proper functioning. As a result there emerged under Stalin a system based neither on the law of value nor on the law of planning. Indeed, for Ticktin these laws degenerated, the law of planning giving rise to the 'law of organization' and the law of value giving rise to the 'law of self-interest of the individual unit'.

Yet it soon becomes clear that as the number of laws in Ticktin's analysis proliferate their explanatory power diminishes. In the *Origins of the Crisis in the USSR*, where he pursues this line of argument the furthest, Ticktin is eventually obliged to ask the question what he means by a 'law'. He answers that a law is the movement between two poles of a contradiction but he does not then go on consider the ground of these contradictions.

### Waste

Perhaps Ticktin's most promising point of departure is that of the problem of the endemic waste that was so apparent even for the least critical of observers of the USSR. This became most clearly evident in the stark contrast between the increasing amounts the Soviet economy was able to produce and the continued shortages of even the most basic consumer goods in the shops.

Following the rapid industrialization of the USSR under Stalin the Soviet Union could boast that it could rival any country in the world in terms of absolute levels of production of industrial products. This was particularly true for heavy and basic industries. Russia's production of such products as coal, iron, steel, concrete and so forth had grown enormously in merely a few decades. Yet alongside such colossal advances in the quantity of goods produced, which had accompanied the startling transformation of Russia from a predominantly peasant society into an industrialized economy, the standard of living for most people had grown very slowly. Despite repeated attempts to give greater priority to the production in consumer industries from the 1950s

onwards, the vast majority of the population continued to face acute shortages of basic consumer goods right up until the demise of the USSR.

So while the apologists of the USSR could triumphantly greet the publication of each record-breaking production figure, their critics merely pointed to the lengthy shopping queues and empty shops evident to any visitor to Russia. What then explained this huge gap between production and consumption? For Ticktin, as for many other theorists of the USSR, the reason clearly lay in the huge waste endemic to the Russian economic system.

Although Russian industry was able to produce in great quantities, much of this production was substandard. Indeed a significant proportion of what was produced was so substandard as to be useless. This problem of defective production became further compounded since, in an economy as integrated and self-contained as the USSR, the outputs of each industry in the industrial chain of production became the inputs of tools, machinery or raw materials for subsequent industries in the chain. Indeed, in many industries more labour had to be devoted to repairing defective tools, machinery and output than in actual production!

As a result, waste swallowed up ever increasing amounts of labour and resources. This, together with the great resistance to the introduction of new technology and production methods in existing factories, meant that huge amounts of labour and resources had to be invested in heavy industry in order to provide the inputs necessary to allow just a small increase in the output of consumer goods at the end of the industrial chain of production.

Taking this phenomenon of 'waste', Ticktin sought to find a point of departure for a political economy of the USSR analogous to that which is found in the opening chapter of Marx's *Capital*. In *Capital* Marx begins with the *immediate appearance* of the capitalist mode of production in which wealth appears as an 'immense accumulation of commodities'. Marx then analysed the individual commodity and found that it is composed of two contradictory aspects: *exchange-value* and *use-value*. By examining how this contradictory social form of the commodity is produced Marx was then able to develop a critique of all the categories of political economy.

Likewise, Ticktin sought to take as his starting point the *immediate appearance* of the Soviet economic system. However, for Ticktin, this economic system did not present itself as an immense accumulation of commodities. Indeed, for Ticktin, wealth did not assume the specific social form of the commodity as it does for capitalist societies.

Of course, as Bettelheim has pointed out, although all production is formally state owned actual production is devolved into competing units. These units of production, the enterprise and the various trusts, buy and sell products to each other as well as selling products to consumers. Therefore the market and commodities still persisted in the USSR. In response, Ticktin argues that such buying and selling was strictly subordinated to the central plan and were more like transfers of products rather than real sales. While money was also transferred as a result of these product transfers such transactions were simply a form of accounting

<sup>12</sup> For a critique of this identification of communism with 'a law of planning', or indeed even with planning per se, see Part III of 'Decadence' in *Aufheben* 4 (summer 1995).



with strict limits being placed on the amount of profits that could be accumulated as a result. Furthermore, the prices of products were not determined through the market but were set by the central plan. These prices were as a result administered prices and were therefore not a reflection of value. Products did not therefore assume the form of commodities nor did they have a value in the Marxist sense.

Hence, for Ticktin, the wealth did not present itself as an immense accumulation of commodities as it does under capitalism but rather as an immense accumulation of defective products.

So, for Ticktin, since products did not assume the form of commodities, the elementary contradiction of Soviet political economy could not be that between use-value and value, as it was within the capitalist mode of production. Instead, Ticktin argued that the elementary contradiction of the Soviet system presented itself as the contradiction between the potential use-value of the product and its real use-value. That is, the product was produced for the purpose of meeting a social need determined through the mediation of the bureaucracy's 'central plan'; as such, it assumed the 'administered form' of an intended or potential use-value. However, in general, the use-value of the product fell far short of the intended or potential use-value - it was defective. Thus as Ticktin concludes:

The waste in the USSR then emerges as the difference between what the product promises and what it is. The difference between the appearance of planning and socialism and the reality of a harsh bureaucratised administration shows itself in the product itself.

(*Origins of the Crisis in the USSR*, p. 134)

The question then arises as to how this contradiction emerged out of the process of production which produced such products.

For Marx the key to understanding the specific nature of any class society was to determine the precise way in which surplus-labour was extracted from direct producers. With the capitalist mode of production, the direct producers are dispossessed of both the means of production and the means of subsistence. With no means of supporting themselves on their own accord, the direct producers are obliged to sell their labour-power to the capitalist class which owns the means of production. However, despite how it may appear to each individual worker, in buying the labour-power of the workers the capitalists do not pay according to the amount of labour the workers perform, and thus the amount of value the workers create, but they pay the level of wages required to reproduce the labour-power of the workers as a whole. Since workers can create products with a value greater than the value they require to reproduce their own labour-power, the capitalists are able to extract surplus-labour in the form of the surplus-value of the product the workers produce.

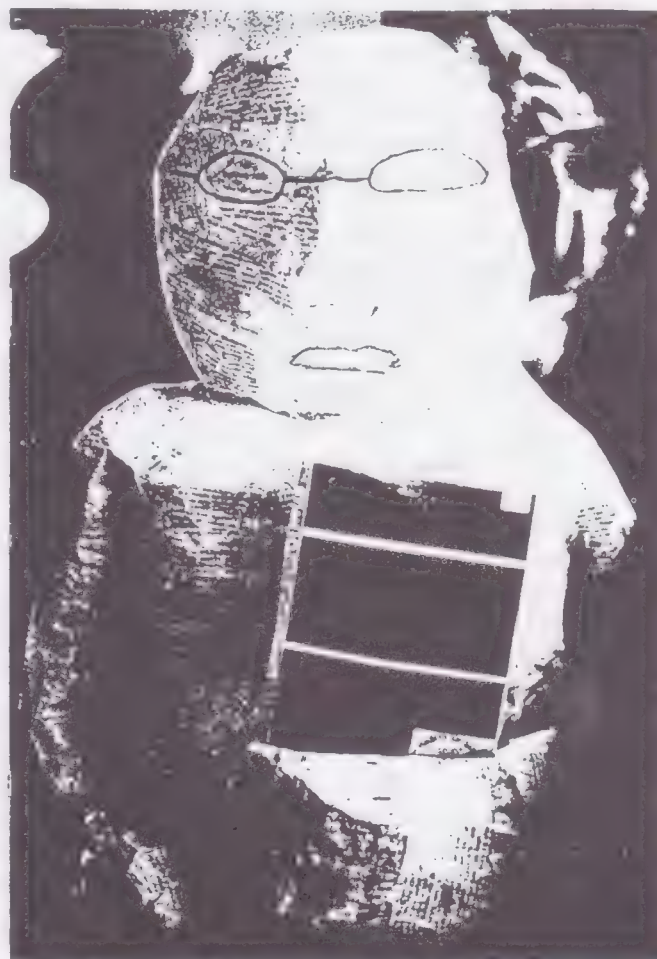
Thus for Marx the key to understanding the essential nature of the capitalist mode of production was the sale of the worker's labour-power and the consequent expropriation of surplus-labour in the specific social form of surplus-value by

the class of capitalists. For Ticktin, however, the workers in the USSR did not sell their labour-power.<sup>13</sup>

Yet, although he denies that labour-power was sold in the USSR, Ticktin does not deny that the working class was dispossessed of the means of production. There is no question that Ticktin rejects any idea that the workers somehow owned their means of production due to the persistence of some form of 'degenerated workers' state'. Indeed, it is central to Ticktin's argument that the workers *alienate* the product of their labour.

However, the dispossession of the direct producers of the means of production is not the only essential pre-condition for the sale of labour-power. The other all-important pre-condition of the capitalist mode of production is that there exists generalized commodity exchange. If, as Ticktin maintains, there was no generalized commodity exchange in the USSR - and thus, as he infers, neither value nor real money - how could labour-power itself assume the form of a commodity that could be sold?

Of course, Ticktin admits that workers were formally paid wages in the USSR, just as goods were bought and sold, but for him this did not amount to the real sale of labour-power. To understand why Ticktin thought this, it is necessary to look at his conception of the wage and money in the USSR.



An effigy of H. Ticktin in papier mache

<sup>13</sup> Tony Cliff puts forward a similar position that in the USSR the workers did not really sell their labour-power.



Under capitalism the principal if not exclusive means of obtaining wealth is money. For the worker, money assumes the form of the wage. However, in the USSR, money, and therefore the wage, was far from being a sufficient or exclusive means of obtaining the worker's needs. Other factors were necessary to obtain the goods and services the worker needed - such as time to wait in queues, connections and influence with well-placed people in the state or Party apparatus, and access to the black market. Such factors, together with the fact that a large proportion of the workers' needs were provided for free or were highly subsidized - such as housing, child-care, and transport - meant that the wage was far less important to the Russian worker than to his or her Western counterpart. In fact it could be concluded that the wage was more like a pension than a real wage.

Under capitalism the wage appears to the individual worker as the price of their labour. The more that individual workers labour the more they are paid. As a consequence, the wage serves as a direct incentive for each individual worker to work for the capitalist.<sup>14</sup> In the USSR, the wage, being little more than a pension, was a far weaker incentive for the Soviet worker.

But not only was the wage an inadequate carrot, management lacked the stick of unemployment. Under capitalism the threat of the sack or redundancy is an important means through which management can discipline its workforce and ensure its control over production. In the USSR, however, the state guaranteed full employment. As a result, managers, facing chronic labour shortages, had little scope to use the threat of dismissals to discipline the workforce.

Lacking both the carrot of money-wages and the stick of unemployment, management was unable to gain full control of the workers' labour. From this Ticktin concludes that, although the workers may have been paid what at first sight appears as a wage, in reality they did not sell their labour-power since the workers retained a substantial control over the use of their labour. As the old British Rail workers' adage had it: 'management pretends to pay us and we pretend to work!'

However, although for Ticktin the workers in the USSR did not sell their labour-power, and therefore did not alienate their labour, Ticktin still argues that the workers alienated the *product* of their labour. Since the workers were alienated from the product of their labour they had no interest in it. Therefore the workers' main concern in exercising their control over their own labour was to minimize it. On the other side, management, although taking possession of the final product of the labour process, lacked full control over the labour process that produced it. As a result, the elite lacked control over the production of the total product of the economy, and with this the production of surplus-product necessary to support itself.

It is with this that Ticktin locates the basis of the fundamental contradiction of the Soviet system. On the one side stood the demands of the elite for increased production necessary to secure the extraction of a surplus-product; on the other side, and in opposition to it, stood the negative control of the working class over the labour process which sought to minimize its labour. The resolution of this contradiction was found in defective production.

Through the imposition of the central plan, the elite sought to appropriate the products of the labour of the working class necessary both to maintain its own privileged position and for the expanded reproduction of the system as a whole. To ensure the extraction of a surplus-product that would be sufficient to meet its own privileged needs, and at the same time ensure the expansion of the system, the elite was obliged to set ambitious and ever-increasing production targets through the system of central planning.

However, the actual implementation of the central plan had to be devolved to the management of each individual enterprise. Faced with the ambitious production targets set out in the central plan on the one side and the power of the working class over the labour process on the other, the management of the enterprise were obliged to strike a compromise with its workers which in effect subverted the intentions of the plan while at the same time appearing to fulfil its specifications. To do this, management sought to meet the more verifiable criteria of the plan, which were usually its more quantifiable aspects, while surrendering the plan's less verifiable qualitative criteria. As a consequence, quality was sacrificed for quantity, leading to the production of defective products.

Yet this was not all. In order to protect itself from the ever-increasing unrealizable demands of the central planners, the management of individual enterprises resorted to systematically misinforming the centre concerning the actual conditions of production at the same time as hoarding workers and scarce resources. Without reliable information on the actual conditions of production, the production plans set out in the central plan became increasingly divorced from reality, which led to the further malfunctioning of the economic system which compounded defective production through the misallocation of resources.

Thus, for Ticktin, because the Russian workers did not sell their labour-power, although they alienated the product of their labour, the elite was unable fully to control the labour process. As a consequence the economic system was bedevilled by waste on a colossal scale to the point where it barely functioned. As neither capitalism nor socialism, the USSR was in effect a non-mode of production. As such, the crucial question was not how the USSR functioned as an economic system but how it was able to survive for so long. It was in addressing this problem that Ticktin came to analyse the crisis and disintegration of the USSR.

### **The question of commodity fetishism and ideology in the USSR**

Despite the fact that the capitalist mode of production is based on class exploitation, capitalist society has yet to be torn apart and destroyed by class antagonisms. The reason for the persistence of capitalist society is that the capitalist

<sup>14</sup> Under capitalism, the individual worker can earn more by working harder or longer than the average or norm. However, if the individual worker's colleagues follow suit, the average or norm of working will be increased and the individual worker will soon find his wages revised down to the value of his labour-power.



mode of production gives rise to a powerful ideology that is rooted in its very material existence.

The basis of this ideology lies in commodity fetishism.<sup>15</sup> In a society based on generalized commodity exchange, the relations between people appear as a relation between things. As a result, social relations appear as something objective and natural. Furthermore, in so far as capitalism is able to present itself as a society of generalized commodity exchange, everyone appears as a commodity-owner/citizen. As such, everyone is as free and equal as everyone else to buy and sell. Thus it appears that the worker, at least in principle, is able to obtain a fair price for his labour, just as much as the capitalist is able to obtain a fair return on his capital and the landlord a fair rent on his land.

So capitalist society appears as a society which is not only natural but one in which everyone is free and equal. However, this 'free market' ideology is not simply propaganda. It arises out of the everyday experience of the capitalist mode of production in so far as it exists as a market economy. It is therefore an ideology that is rooted in the everyday reality of capitalism.<sup>16</sup> Of course, the existence of

capitalism as a 'market economy' is only one side of the capitalist mode of production and the more superficial side at that. Nevertheless it provides a strong and coherent foundation for bourgeois ideology.

However, if, as Ticktin maintains, there was no commodity exchange in the USSR there could no basis for commodity fetishism. Furthermore, lacking any alternative to commodity fetishism which could obscure the exploitative nature of the system, there could be no basis for a coherent ideology in the USSR. Instead there was simply the 'big lie' which was officially propagated that the USSR was a socialist society.<sup>17</sup> But this was a lie which no one any longer really believed - although everyone was obliged to pretend that they did believe it.<sup>18</sup>

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*limits which correspond to capital's valorization requirements. The silent compulsion of economic relations sets the seal on the domination of the capitalist over the worker. Direct extra-economic force is still of course used, but only in exceptional cases. In the ordinary run of things, the worker can be left to the "natural laws of production", i.e. it is possible to rely on his dependence on capital, which springs from the conditions of production themselves and is guaranteed in perpetuity by them.'* (Capital Vol. 1, chapter 28). But the lines that immediately follow suggest a quite different way of grasping the Russian situation:

*'It is otherwise during the historical genesis of capitalist production. The rising bourgeoisie needs the power of the state, and uses it to "regulate" wages, i.e. to force them into the limits suitable for making a profit, to lengthen the working day, and to keep the worker himself at his normal level of dependence. This is an essential aspect of so-called primitive accumulation.'*

A lot of the strange features of the USSR vis-a-vis 'normal' capitalism become clear when one sees it as attempting to make the transition towards capitalism.

<sup>17</sup> The observation that there was a fundamental contradiction between the reality of the Soviet regime and what it said about itself is hardly new. The original title of *The Russian Enigma* by Anton Ciliga, which brilliantly combines an account of his personal experiences of the Stalinist regime and its camps with his reflections on the nature of its economic system, was *Au Pays du Grand Mensonge: 'In the Country of the Big Lie'*.

<sup>18</sup> It is interesting to contrast the views of Ticktin with Debord on the Soviet lie.

Ticktin argues that, unlike the false consciousness of the Western bourgeoisie, the set of doctrines promoted by the Soviet elite doesn't even partially correspond to reality and thus the system has no ideology. Ticktin's motivation to deny that these falsehoods are an ideology is theoretical: 'Systematic, conscious untruthfulness is a symptom of a system that is inherently unstable' (*Origins of the Crisis in the USSR*, p. 18). His view that it is not a viable system leads him polemically to assert that it has no ideology; for something that is not a mode of production does not generate a coherent false consciousness.

Debord (*Society of the Spectacle*, sections 102-111) similarly describes Soviet society as based on a lie that no one believes and which has thus to be enforced by the police. He also points at the way that its reliance on falsification of the past and present means that it suffers 'the loss of the rational reference which is indispensable to the historical society, capitalism', making it a poor imitation of the West in terms of industrial production (108). However Debord does not feel the need to say that, because it has become manifestly incoherent, Stalinist ideology is no longer ideology; rather, it is for him an extreme victory of ideology.

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<sup>15</sup> Focusing on commodity fetishism helps one avoid the mistake of seeing ideology as predominantly a creation of state and other ideological apparatuses or institutions. To make people work for it, capital neither has to rely on direct force nor on somehow inserting the idea that they should work into people's heads. Their needs, plus their separation from the means of production and each other, makes working for capital a necessity for proletarians. Commodity fetishism in one sense, then, is not in itself an ideology but an inseparable part of the social reality of a value- and commodity-producing society: 'to the producers, therefore, the social relations between their private labours appear as *what they are*, i.e., they do not appear as direct social relations between persons in their work, but rather as material [*dinglich*] relations between persons and social relations between things' (*Capital* Volume 1 chapter 1 section 4; emphasis added). On the other hand, people generate ideology to make sense of their alienated practice; to the extent that most people's existence most of the time is within capitalist relations, they generate and adopt ideas to rationalize and make sense of this existence. Because that reality is itself contradictory, their ideas can both be incoherent and quite functional for them. The point here, though, is that no 'battle of ideas' will disabuse them of such ideas which are expressive of their reality. Only in relation to practical struggle, when the reified appearance of capitalist relations is exposed as vulnerable to human interference, are most people likely to adopt revolutionary ideas. On the other hand, leftist intellectuals attempt to be both coherent and critical of this society. It is in relation to such 'critical ideas' that, following Marx and the situationists, we oppose revolutionary theory to revolutionary ideology.

<sup>16</sup> There is a key passage in Marx's *Capital* that would seem at first to support Ticktin's argument that the lack of normal market relations in the USSR meant that it did not generate the powerful 'dull compulsion of everyday life' that the worker experiences in the West:

*'the advance of capitalist production develops a working class which by education, tradition and habit looks upon the requirements of that mode of production as self-evident natural laws. The organization of the capitalist process of production, once it is fully developed, breaks down all resistance. The constant generation of an relative surplus population keeps the law of the supply and demand of labour, and therefore wages, within narrow*



As a consequence, Ticktin argues that the nature of social relations were fully transparent in the USSR. With their privileged access to goods and services, everyone could see the privileged position of the elite and their exploitative and parasitical relation to the rest of society. At the same time, given the blatant waste and inefficiency of the system, no one had any illusions in the efficacy of 'socialist planning'. Everyone recognized that the system was a mess and was run in the interests of a small minority that made up the elite of the state and Party bureaucracy.

But if there was no ideology in the USSR, what was it that served to hold this exploitative system together for more than half a century? Ticktin argues there were two factors that served to maintain the USSR for so long. First, there were the concessions made to the working class. The guarantee of full employment, free education and health care, cheap housing and transport and an egalitarian wage structure all served to bind the working class to the system. Second, and complementing the first, there was brutal police repression which, by suppressing the development of ideas and collective organization not sanctioned by the state, served to atomize the working class and prevent it from becoming a revolutionary class for-itself.

It was through this crude carrot-and-stick approach that the elite sought to maintain the system and their privileged place within it. However, it was an approach that was riven by contradictions and one that was ultimately unviable. As we have seen, it was these very concessions made to the working class, particularly that of full employment, which meant that the elite were unable to gain full control of the labour process and which in turn resulted in the gross inefficiency of the system. Unwilling to surrender their own privileged position, the Soviet elite were unable to move towards socialism. Therefore the elite's only alternative to maintaining the grossly inefficient system of the USSR was

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While it has a theoretical consistency, Ticktin's polemical insistence that there was no ideology in the USSR imposes a very restricted sense on the notion of ideology. Essentially it limits the meaning of ideology to that false consciousness generated by a mode of production which partially grasps the reality of the world which that mode produces and which is thus functional to those identifying with that world. However, ideology can also infect the thought of those who see themselves as critical of and wishing to go beyond that mode of production. For example, the Marxism of the Second International, of which Leninism is essentially a variant, absorbed bourgeois conceptions of the relation of knowledge to practice, of the need for representation and hierarchical organization and of progress, which made it into a revolutionary ideology. Ticktin's limited conception of ideology allows him to escape the questions of the relation of the Soviet Union's ideology of 'Marxism-Leninism' to its origins in Leninism, and the ideological assumptions Trotskyism shares with Stalinism. Debord however, grasps the totalitarian falsehood of Soviet ideology as a dialectical development of the *revolutionary ideology* of Leninism. As he puts it: 'As the *coherence of the separate*, the revolutionary ideology, of which Leninism was the highest voluntaristic expression, governed the management of a reality that was resistant to it; with Stalinism, this ideology rediscovered its own incoherent essence. Ideology was no longer a weapon but an end in itself. But a lie which can no longer be challenged becomes a form of madness' (105).

to move towards capitalism by introducing the market. But such a move towards the market necessarily involved the introduction of mass unemployment and the withdrawal of the elite's concessions to the working class.

The elite therefore faced a continual dilemma. On the one side it sought to move away from its inefficient economic system by introducing market reforms; but on the other side it feared that the introduction of such reforms would cause a revolutionary response in the Russian working class. Ticktin argues that it was this dilemma which underlay the history of the USSR following the death of Stalin and which explains the crisis that confronted Gorbachev and the final demise of the USSR.

Ticktin's analysis of the history of the USSR and its final crisis and demise does not concern us here.<sup>19</sup> We now need to examine the problems of Ticktin's 'political economy' of the USSR.

### Problems of Ticktin's 'political economy of the USSR'

We have devoted considerable space to Ticktin's theory of the USSR since it provides perhaps the most cogent explanation of the nature of the USSR and the causes of its decline which has arisen out of the Trotskyist tradition. Shorn of any apology for Stalinism, Ticktin is able to develop a theory which seeks to show the specific internal contradictions of the Soviet system. As such, it is a theory that not only goes beyond the traditional Trotskyist theory of the USSR as a degenerated workers' state, it also provides a formidable challenge to any approach which sees the USSR as having been in some sense a capitalist system.

Indeed, it would seem to us that any attempt to develop a theory of the USSR as being essentially a capitalist system must take on board and develop a critique of some of the central positions put forward by Ticktin. Perhaps most importantly, after Ticktin and of course the collapse he describes, it is obvious that the USSR can in no way be seen as some higher and more developed stage of capitalism, as some state capitalist theories might imply. What becomes clear from Ticktin is that any understanding of the USSR must start from its malfunctioning; it must explain the systematic waste and inefficiencies that it produced. If the USSR was in any way capitalist it must have been a deformed capitalism, as we shall argue.

However, while we accept that Ticktin provides a powerful theory of the USSR, we also argue that it has important deficiencies which lead us ultimately to reject his understanding of the nature of the USSR.

When we come to develop and present our own theory of the USSR, we will necessarily have to critique in detail the central premise of Ticktin's theory - that the USSR was in transition from capitalism to socialism. For the moment, however, we will confine ourselves to criticizing the problems that arise within the theory itself.

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<sup>19</sup> On the basis of this dilemma for the Russian elite, Ticktin is able to provide a persuasive account of the post-war history of the USSR which in many respects is far superior to most attempts by state capitalist theorists to explain the crisis of the Soviet Union.



As we have already noted, Ticktin not only fails to present a systematic presentation of a 'political economy of the USSR', he also fails to clarify his methodological approach. As a result, Ticktin is able to escape from addressing some important logical questions regarding the categories of his political economy.

Although he attacks state capitalist theories for projecting categories of capitalism onto the Soviet Union,

has to imply that such categories are simply relics of capitalism, empty husks that have no real content. But, of course, if they have no real content, if they are purely nominal, how is that they continue to persist? This failure to address fully the question of form and content becomes most apparent with the all important example of the wage and the sale of labour-power.



Ticktin himself has to admit that many categories of bourgeois political economy appeared to persist in the USSR. Categories such as 'money', 'prices', 'wages' and even 'profits'. In capitalism these categories are forms that express a real content even though they may obscure or deviate from this content. As such they are not merely illusions but are real. Ticktin, however, fails to specify how he understands the relation between the essential relations of the political economy of the USSR and how these relations make their appearance, and is therefore unable to clarify the ontological status of such apparent forms as 'money', 'prices', 'wages' and 'profits'. Indeed, in his efforts to deny the capitalist nature of the USSR, Ticktin is pushed to the point where he

### The wage-form

As we have seen, the crux of Ticktin's analysis of the USSR was his contention that, although they alienated the product of their labour, Soviet workers did not sell their labour-power. So, although they were paid what at first sight appears as a wage, on close inspection what the workers received was in fact more akin to a pension.

However, in his attempt to compare and contrast the form of the wage as it exists under capitalism with what existed in the USSR in order to deny the application of capitalist categories to the Soviet Union, Ticktin fails to grasp the full complexities of the wage-form as it exists within the capitalist mode of production. As we have already noted,



under capitalism workers are obliged to sell their labour-power to the capitalists. However, to both the individual capitalist and the individual worker, this sale of labour-power appears in the wage-form as not the sale of labour-power as such but the sale of *labour*;<sup>20</sup> that is, the worker appears not to be paid in accordance to the value of his labour-power (i.e. the value incorporated in the commodities required to reproduce the worker's capacity to work), but in terms of labour-time the worker performs for the capitalist.

There is, therefore, a potential contradiction between the wage-form and its real content - the sale of labour-power - which may become manifest if the wages paid to the workers are insufficient to reproduce fully the labour-power of the working class. There are two principal situations where this may occur. First, an individual capitalist may be neither willing nor able to offer sufficient hours for an individual worker to be able to earn a 'living wage'. Second, the individual capitalist may pay a wage sufficient to reproduce the individual worker but not enough to meet the cost of living necessary for the worker to bring up and educate the next generation of workers. In this case, the individual capitalist pays a wage that is insufficient to reproduce the labour-power in the long term.

In both these cases the interests of the individual capitalist conflicts with the interests of capital in general which requires the reproduction of the working class as a whole. Of course, this is also true in the case of unemployment. An individual capital has little interest in paying workers a wage if it has no work for them to do that can make it a profit; however, social capital requires an industrial reserve army of the unemployed - unemployed labour-power - in order to keep wages down, and this has to be maintained. The result is that the state has to intervene, often under pressure from the working class itself, in order to overcome the conflict of interest between individual capitals and social capital. It was through this imperative that the welfare state was formed. Health care, free state education and welfare benefits all have to be introduced to overcome the deficiencies of the wage-form in the social reproduction of the working class.

Thus, under capitalism, there is always an underlying tension within the wage-form between the wage being simply a payment for labour-time and the wage as a payment to cover the needs of the worker and her family. As a result, under capitalism, the payments made to ensure the reproduction of the labour-power of the working class is always composed not only of the wage but also benefits and payments in kind. In this light, the USSR only appears as an extreme example in which the needs of social capital have become paramount and completely subsume those of the individual capital.

#### **Labour-power as a commodity**

Yet, in denying the capitalist nature of the USSR, Ticktin also argues that the working class did not sell its labour-power in the USSR because labour-power did not exist as a commodity. But then again, as Ticktin fails to recognize, labour-power does not exist immediately as a commodity

under capitalism either. A commodity is some *thing* that is alienable and separable from its owner which is produced for sale. However, labour-power is not produced primarily for sale, although the capitalist may regard it as such, but for its own sake. It is after all simply the potential living activity of the worker and is reproduced along with the worker herself: and as such it also inseparable from the worker.

Labour-power is therefore not immediately a commodity but must be subsumed as such in its confrontation with capital. Labour-power therefore is a commodity which is not a commodity; and this does not simply cease to be the case when it is sold. Normally when someone buys a commodity they obtain the exclusive possession and use of it as a thing - the commodity ceasing to have any connection with its original owner. But this cannot be the case with labour-power. Labour-power, as the subjective activity of the worker, is inseparable from the worker as a subject. Although the worker sells her labour-power to the capitalist, she must still be present as a subject within the labour process where her labour-power is put to use by the capitalist.

Capital must continue to subsume labour-power to the commodity form and this continues right into the labour process itself. The struggle between capital and labour over the labour process is central to the capitalist mode of production. The attempt to overcome the power of the working class at the point of production is the driving force of capitalist development, with the capitalists forced to revolutionize the methods of production in order to maintain their upper hand over the resistance of their workers.

The fact that the workers in the USSR were able to assert considerable control over the labour process does not necessarily mean that they did not sell their labour-power. It need only mean that, given the state guarantee of full employment, the workers enjoyed an exceptionally favourable position with regard to management and were able to resist the full subsumption of labour-power to the commodity form within the labour process.

Again, as with the case of the wage-form, it could be argued that the difference between the USSR and the capitalism that exists in the West, at least in terms of the essential relation of wage-labour, was simply a question of degree rather than of kind. The failure to recognize this and grasp the full complexities of the wage-form and the commodification of labour-power could be seen as a result of Ticktin's restrictive understanding of capitalism which he inherits from objectivist orthodox Marxism.

First, in accordance with orthodox Marxism, Ticktin sees the essential nature of capitalism in terms of the operation of the 'law of value'. Hence, for Ticktin, if there is no market there can be no operation of the 'law of value' and hence there can be no capitalism. Having shown that products were not bought and sold in the USSR, Ticktin has all but shown that the USSR was not capitalist. The demonstration that even labour-power was not really sold simply clinches the argument.

However, we would argue that the essence of capitalism is not the operation of the 'law of value' as such but value as alienated labour and its consequent self-expansion as capital. In this case, it is the alienation of labour through the sale of

<sup>20</sup> See Part VI of Volume I of *Capital*.



labour-power that is essential.<sup>21</sup> The operation of the 'law of value' through the sale of commodities on the market is then seen as merely a mode of appearance of the essential relations of value and capital.

Second, Ticktin fails to grasp the reified character of the categories of political economy. As a consequence, he fails to see how labour-power, for example, is not simply given but constituted through class struggle. For Ticktin, there is the 'movement of the categories and the movement of class struggle' as if they were two externally related movements. As a result, as soon as the working class becomes powerful enough to restrict the logic of capital - for example in imposing control over the capitalist's use of labour-power - then Ticktin must see a decisive shift away from capitalism. Ticktin is led to restrict capitalism in its pure and unadulterated form to a brief period in the mid-nineteenth century.<sup>22</sup>

### The question of the transitional epoch

As Ticktin admits, contemporary capitalism has involved widespread nationalization of production and the administration of prices, the provision of welfare and the social wage; moreover, in the two decades following the second world war, capitalism was able to maintain a commitment to near full employment. As such, contemporary capitalism, particularly in the years following the second world war, had features that were strikingly familiar to those in the USSR. However, for Ticktin, such social democratic features of twentieth century capitalism were simply symptoms of the decline of capitalism in the transitional epoch. The USSR was therefore only like contemporary capitalism insofar as both Russia and Western capitalism were part of the same transitional epoch: the global transition of capitalism into socialism. Whereas in the USSR the 'law of value' had become completely negated, in the West the advance of social democracy meant only the partial negation of the 'law of value'.

The problem of Ticktin's notion of the transitional epoch is not simply the restrictive understanding of capitalism which we have already mentioned, but also its restrictive notion of socialism and communism. For Ticktin, in the true tradition of orthodox Marxism, socialism is essentially the nationalization of production and exchange combined with democratic state planning. As a consequence, for Ticktin, the Russian Revolution must be seen as a successful socialist revolution in that it abolished private property and laid the basis for state planning under workers' control. It was only subsequently that, due to the backwardness and isolation of the Soviet Union, the workers' state degenerated and as a result became stuck half-way between capitalism and socialism.

Yet, as many anarchists and left communists have argued, the Russian Revolution was never a successful proletarian revolution. The revolution failed not simply because of the isolation and backwardness of Russia - although these may have been important factors - but because

the Russian working class failed fully to transform the social relations of production. This failure to transform the relations of production meant that, even though the working class may have taken control through the Bolsheviks' seizure of power and established a 'workers' state', they had failed to go beyond capitalism. As a result, the new state bureaucracy had to adopt the role of the bourgeoisie in advancing the forces of production at all costs.

If this position is correct and Russia never went beyond capitalism, then the basic assumption, which Ticktin himself admits is the very foundation of his analysis, that the USSR was stuck half-way between capitalism and socialism, falls to the ground. Nevertheless, Ticktin's notion that the USSR was a distorted system due to it being in transition from one mode of production to another is an important insight. However, as we shall argue in Part IV of this article, the USSR was not so much in transition to socialism as in transition to *capitalism*. However, before considering this we shall in Part III look in more detail at the various theories of state capitalism that have arisen within the left communist tradition.



Readers interested in pursuing further the question of the nature of the USSR should try to get hold of *Capitalism and Class Struggle in the USSR: A Marxist Theory* by Neil Fernandez (1998), a book which provides a comprehensive study of the Russia question from an anti-state communist perspective. The book is published in Aldershot by Ashgate at the ridiculous price of £45. You might try ordering it through your local library.

<sup>21</sup> We shall take this point up in far more detail in Part IV of this article.

<sup>22</sup> Again, see Part III of our article 'Decadence' in *Aufheben* 4 (summer 1995).



# Intakes:

## Fascism/anti-fascism: 'Barrot' replies

In *Aufheben* 1 (summer 1992) we carried a short review of the influential text *Fascism/Anti-fascism* by Jean Barrot. We reviewed it because it related to struggles that were going on at that time, and because it was an analysis to which we were basically sympathetic. The critique of anti-fascism is necessary and important; but we also felt that such a critique tended to dogmatism. This is part of a more general weakness of the Italian left from which it derives. Like other parts of the left communist opposition to the orthodoxy promoted from Moscow, the Italian left tried to maintain communist positions in the face of a virtually complete capitulation to opportunism in the workers' movement. Part of the price it paid was that it became rigid and mechanical, with principles tending to become dogmas. If, as the situationists put it, we must be against sectarianism but the only defence against sectarianism is a strict theoretical line, that needs to be balanced by a equally vigilant resistance to the tendency of theory to degenerate into ideology. Opposition to anti-fascism, as opposition to trade unions and leftism generally, should be more than ritual denunciation; it should involve an attempt to understand contradictions which arise within movements and individual proletarians. Intransigence, the notion of the invariance of the communist programme, resolute opposition to opportunism - these aspects of the Italian left enabled it to hold on to the insights of the revolutionary wave that followed the first world war. But they have also been its weaknesses: a refusal to see anything new, an inability to relate to and learn from the class struggle effectively, a tendency to become a sect preaching its 'truths' to a world that does not listen.

In repeating in our review the translator's attributions of the weaknesses of left communism to Barrot we were in retrospect unfair. Moreover, in voicing our reservations on the Italian left's position on anti-fascism here and in our review we would not want to support the liberal and leftist misrepresentations of these Italian communists' opposition to anti-fascism. Historically, as indicated in the Barrot text, and in our review, the Italian left did not hold back from fighting fascists among other enemies of the proletariat. As they pointed out, the real 'united front' of this period was the alliance of the democratic government and fascism against the proletariat:

*'The government ... had, by a decree of 20th October 1920, sent 60,000 demobilised officers into the training camps, with the obligation to sign up for the groups of "squadristi". Whenever fascists burned down the premises of unions or the socialist or communist parties, the army and the gendarmerie were always on the side of the fascists. And these armed forces were those of the liberal democratic state.'*

*(The Italian Communist Left 1926-45: A Contribution to the History of the Revolutionary Movement, ICC, p. 21)*

Our review of *Fascism/Anti-fascism* was published six years ago. We return to it now because we have only just received this reply from 'Jean Barrot' himself, which we welcome.

This letter is about your 1992 review of *Fascism/Anti-fascism*, a pamphlet published in England twice, and then again by *Wildcat*, under my pen name Jean Barrot, an alias I got rid of a few years ago. (A new revised version of *The Eclipse and Re-Emergence of the Communist Movement*, first published by Black & Red, Detroit, 1974, has now been published in London by Antagonism Press under my name 'Gilles Dauvé'.)<sup>1</sup>

Although I'm happy to see *Fascism/Anti-fascism* available in English, it was never intended to exist in that form. In 1979, I wrote a 90-page preface to a selection of articles from the 'Italian left' magazine *Bilan* (1933-38) on Spain. Years later, I found comrades then and now unknown to me had edited a much shorter English version, as of course they were perfectly free to do. But what was meant to be a reflection on *communization* (analysing Russia and Spain among other historical examples, and actually criticizing *Bilan*), has been narrowed to an anti-anti-fascist stand. Maybe this is why your article regards my views as both valid and unfortunately one-sided. I'll try to make myself clearer.

<sup>1</sup> Editors' footnote: We came close to reviewing and would recommend this revised edition of the classic exposition of communism as the real movement. *The Eclipse and Re-Emergence of the Communist Movement* by Gilles Dauvé and Francois Martin is available from Antagonism Press, c/o BM Makhno, London WC1N 3XX, price £3.00.

### 1. Can the proletariat prevent capitalist society from periodically turning into a dictatorship?

No.

Class conflict commands modern times, and centres around working class submission and/or resistance, rebellion, insurrection... It does not follow that the workers could divert the political course at any time and avoid the after-effects of their own attempts to change history.

For instance, active class struggle determined the birth and life-span of the Weimar Republic. After World War I, revolution was stifled in Germany by a combination of democracy and fascism (the Freikorps used by the SPD-led government to crush workers' risings in 1919-20 were real fascist groupings, with many future nazis in their ranks). The Weimar system was built out of proletarian assaults and setbacks. Then the workers had a say, albeit a degraded and mystified one: the councils movement was reduced to a bureaucratic institution, and the revolution that failed gave way to a left-dominated socialist-orientated regime. Working class pressures, and the conflict between a reformist majority and revolutionary minorities, shaped the post-war period. Even when right-of-centre politicians were in office, even with Hindenburg as president (the SPD called to vote for him in 1932 as a bulwark against Hitler...), workers remained the pivotal force of Weimar's early days, and often its decisive factor.



But the combined and rival weights of SPD and KPD made their own weaknesses. With the 1929 crash, when even the ruling class had to be disciplined, this time capital found that not just radicals but also respectful union leaders could be a burden. The bourgeois-reformist compromise set in motion by the workers 14 years before became more a hindrance than a help.

Hitlerism was not inevitable, with its grotesque and murderous paraphernalia. But on January 30th, 1933, some strong central power was the order of the day, and the only options left to Germany were straightforwardly statist and repressive ones, to be settled out of proletarian reach.

Paradoxically, it's the sheer strength of wage-labour (reformist and radical) that deprives it now and again of *any* say in the running of affairs.

## 2. How far can anti-fascism contribute to a revolutionary movement?

Of course, anti-fascism is not a homogeneous phenomenon. Durruti, Orwell and Santiago Carrillo all qualify as anti-fascists. But the question remains: What is anti-fascism *anti*? And what is it *pro* exactly?

I am against imperialism, be it French, British, US or Chinese. I am *not* an 'anti-imperialist', since that is a political position supporting national liberation movements opposed to imperialist powers.

I am (and so is the proletariat) against fascism, be it in the form of Hitler or Le Pen. I am *not* an 'anti-fascist', since this is a political position regarding fascist state or threat as a first and foremost enemy to be destroyed at all costs, i.e. siding with bourgeois democrats as a lesser evil, and postponing revolution until fascism is disposed of.

Such is the essence of anti-fascism. 'Revolutionary anti-fascism' is a contradiction in terms - and in reality. Anything communist inevitably goes beyond the boundary of anti-fascism, and sooner or later clashes with it.

When Spanish workers took arms against the military putsch in July '36, they were obviously fighting fascism, but (whatever they may have called themselves) they were not acting as anti-fascists, as their move aimed both at the fascists and the democratic state. Afterwards, however, when they let themselves be trapped within the institutional framework, they became 'anti-fascists', fighting their fascist foes while *at the same time* supporting their own democratic enemies.

Revolutionary critics of anti-fascism have been repeatedly accused of sabotaging the fight against fascism, of being Franco's or Hitler's 'objective' allies - which soon comes close to 'subjective'... The sad irony is, only the proletariat and communists are fundamental opponents of fascism. Anti-fascism is always more supportive of democracy than opposed to fascism: it won't take anti-capitalist steps to repel fascism, and will prefer its own defeat rather than risk proletarian outbursts. It was no accident or mistake that the Spanish bourgeoisie and the Stalinists wasted time and energy getting rid of anarchist peasant communes when they were supposed to do everything to win the war: their number one priority was not and had never been to smash Franco, but to keep the masses under control.

So the point is not that there are lots of ways of being an anti-fascist, and that non-revolutionary anti-fascist individuals can turn revolutionary, as of course many will, but that anti-fascism as such, in order to avoid a dictatorial state, submits to the democratic state. That's its nature, its logic, its proven past, and all the 'yes buts' about it got drowned in the Barcelona May '37 blood of those workers who'd hoped to outsmart moderate anti-fascism. Anti-fascism is not like a meeting one bursts into and forces to adopt a new programme. It's not a form: it has a content and a political substance of its own. It's not a 'bourgeois' shell wherein subversion could put proletarian flesh.

Needless to say, I am not suggesting die-hard communists should only take part in 'pure' anti-wage-labour attacks and keep clear of all anti-fascist groups, waiting for them to catch up with us. No doubt the rejection of everything fascism stands for (ethnicism, racism, sexism, nationalism, law and order, outright reactionary culture, etc.) is often a first step to rebellion. In fact, quite a few young wo/men take part in demos against the French National Front because they realize it asks for even more submission to a social order they hate, not so much because it is a threat to a parliamentary democracy they don't care about all that much. Then politics comes along trying to channel this into a support for democracy. These spontaneous gestures will develop into a critique of the roots of this world if they reject the basis of anti-fascism: a respect for democratic capitalism. Only by pointing out the issues at stake can we contribute to this maturation.

Beating off fascism means destroying its pre-conditions, i.e. its social causes = capitalism.

## 3. How can we defeat one of the worst divisive forces within proletarians: racism?

Certainly not by treating racism as another issue to be added to anti-capitalism.

Racism stresses a difference. Anti-racism does the opposite: it emphasizes something in common between those that racism divides. This common element is usually humankind or humanity. Now, when a bourgeoisie also appeals to that in relation to his workers, what will revolutionaries object? Obviously this common factor can't be the same for those who manage this world and those who'd like to change it.

Actually, what we often tend to do is replace 'We're all humans' by 'We're all proles'. We say: (a) a black worker is the same as a white worker, (b) both aren't the same as a black boss or a white boss. The snag is, this does not attack racism; it supports solidarity, as indeed we must, but solidarity is precisely what's lacking because of racism. So we're just substituting a proletarian anti-racism for a humanist one. Yet both contend with racism in its visible form and miss its causes.

In '68, though there were racists around, including among wage-earners, the French bourgeoisie could not use racism as a major dividing weapon, because of the unifying effect of mass class struggle. Later, as workers' militancy subsided, divisions appeared. To mention just one important landmark, the Talbot 1983 strike revealed a growing split between so-called national and foreign car-workers. Such a



rift was more a result than a cause. Is it mere coincidence that 1983-4 also witnessed the rise of the National Front? It's not the lack of adequate anti-racist campaigns that helped Le Pen get now as much as 15 per cent of the votes. It's the decline of collective resistance among the workers. Racism manifests itself as an ideology, but is not first ideological. It's a practical phenomenon, a social relation: one of the most vicious aspects of competition between wage-labourers, a consequence of the decay of living and fighting communities. The 'racialization' of the working class goes along with its atomization.

The proletariat is not weak because it's divided: its weaknesses breed division. So anything that makes it stronger strikes a blow at racism. While avoiding organized humanistic anti-racism, one can combat racism when one comes across it in real life, as many non-racist proles spontaneously do in a pub, on the shopfloor or in a picket line, recreating some form of autonomous community.

For example, the December '95 movement silenced Le Pen's rhetoric. Likewise, a number of estate riots have brought together people from north Africa, black and 'white' origins.

The communist movement has both a class and a human content.

An interesting question is: which class struggle activity gets proletarians together, and practically tends to do away with racism?

Workers can be militant and racist at the same time.

In 1922, South African bosses lowered white miners' wages and opened a number of jobs to blacks. 'White' riots ended in a blood-bath: over 200 miners killed. As in strikes against female or foreign labour, this was wage-earners' self-defence at its worst.

On the other hand, while Holland was occupied by nazi Germany, Dutch workers went on strike against the way Jews

and Jewish workers were being deported and discriminated against.

The key to South African labour's reactionary stand, or to Dutch solidarity, does not lie in racist/non-racist minds. Minds are moulded by past and *present* social relationships and actions. The more open, global, potentially universal and therefore 'human' a demand or an action is, the least likely it is to be narrowed to sexist, xenophobic or racist lines.

Imagine a workplace. Fighting to save jobs could more easily bring the workforce closer to racism than, say, asking for a flat £20 per week increase for every single employee on the premises. The former encloses people within defensive gestures, confines them to 'their' plant, isolates them from other workplaces and eventually divides them, between themselves (Who'll get the sack? My work-mate, I hope, not me!) However small, the latter demand unites proles irrespective of gender, nationality or professional skill, and can link them with workplaces outside their own, since many other people can take it up and start asking for the same increase, or for something that's even more unifying.

Some claims and tactics reinforce trade, local or 'race' differences. Others involve the interplay of an ever larger community, open up new issues, and break 'ethnic', etc. divisions.

The only way to defeat racism is to address it on a general and 'political' level, showing how any division between proles (and racism even more viciously than xenophobia) always ends in them (all proles) being worse off, more degraded, more submissive.

Racism is to be addressed, not as a separate question, and never as an obnoxious ideology to be smashed by a warm-hearted one.

Gilles Dauvé, 1997

## Intakes

As part of our project of smashing capital, *Aufheben* seeks to develop revolutionary theory in a coherent direction. We welcome letters and contributions to our *Intakes* sections.

## Erratum

In the last issue of *Aufheben* (autumn 1997), we carried an article 'Death of a Paper Tiger... Reflections on Class War' which criticized the populism at the heart of the limits of the Class War group(s). Due to a typing error on our part, the article stated: 'The desired effect of all popular journalism (of whatever creed) is to suspend critical thought and encourage predictable (Pavlovian) responses' (p. 41). In fact, the text should have read: '*The desired effect of all populist journalism (of whatever creed) is to suspend critical thought on the part of the reader and to reduce choices of opinion down to a simple duality - good/bad, black/white - thru a simplistic representation of reality. Constant repetition of this tends to numb thought and encourage predictable (Pavlovian) responses.*'





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### *Dole Autonomy Versus the Re-imposition of Work: Analysis of the Current Tendency to Workfare in the UK*

This article was written for a forthcoming book, *The Planetary Work Machine: Explorations in Global Capital, Subjectivity and Resistance* (eds., Franco Barchiesi & Steve Wright). We produced a version as a pamphlet in April 1998. We have now sold out, but can supply photocopies for £1.75 including postage.

### *The Politics of Anti-Road Struggle and the Struggles of Anti-Road Politics: The Case of the No M11 Link Road Campaign*

An article originally written for 'internal' consumption during the anti-roads struggle in Leystonstone in 1994. An updated and revised version is included in the book *DiY Culture: Party & Protest in Nineties Britain* (ed. George McKay; Verso, 1998). Steal the book or send us £1.75 (including postage) for a print-out of the text.

### *The Incomplete Marx* by F. C. Shortall

By showing how *Capital* is 'incomplete', *The Incomplete Marx* provides the basis for a radical re-interpretation of Marx that points beyond the Marx of *Capital*. As such, it is an important contribution to the criticism of orthodox objectivist and closed interpretations of Marx that have been passed down from classical Marxism. However, unlike other works that have begun to raise the question of the incompleteness of Marx and the need to go beyond *Capital*, *The Incomplete Marx* shows in detail how *Capital* itself necessarily came to be provisionally closed. The book is published by Avebury (Aldershot, 1994) and costs £48.50. Non-institutional readers interested in the book but who can't afford it should contact us at the address below.

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