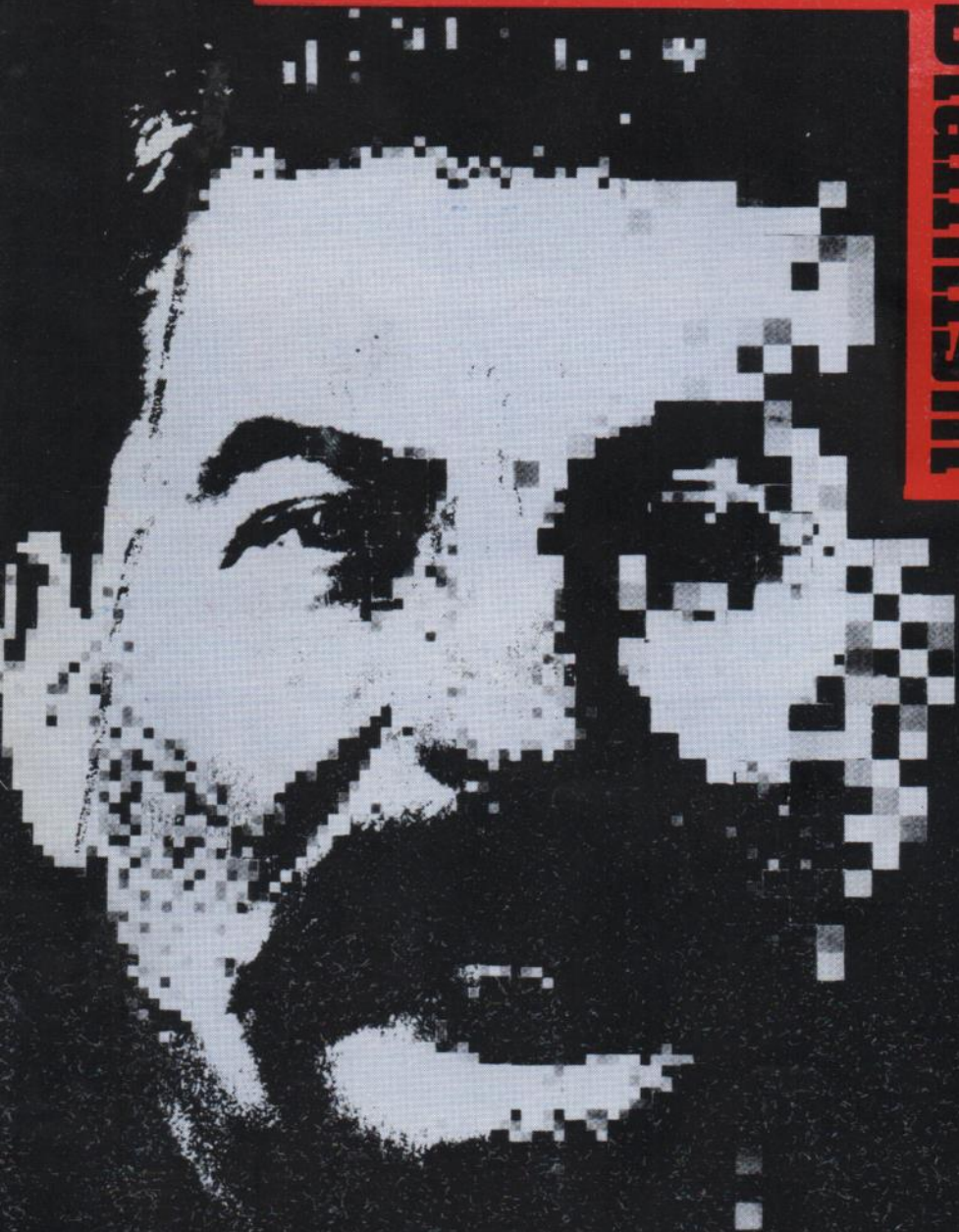


Socialism after

Stalinism



a
Socialist
Outlook
pamphlet

Socialism after Stalinism

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Socialism in Crisis?

Today there is an almost unprecedented crisis of socialist conviction – in Britain and in much of the world. The roots of this crisis are not hard to find. The collapse of the state 'socialism' in Eastern Europe, the crisis in the USSR and the events in China have created immense doubts about whether nationally-planned economies can ever be efficient or democratic. As a result, pro-capitalist ideologists have had a field day proclaiming that socialism is in retreat everywhere and that Marxism is 'dead'.

The political move to the right in many Western countries has created doubts about the possibility of ever getting popular support for socialism. This is particularly true in Britain, where a decade of Thatcherism has shifted the whole political spectrum to the right: numerous former socialists seem prepared to accept Kinnock's sub-Thatcherite policies as the best that can be achieved.

The feeling that our enemies are on the offensive and we are on the retreat has been compounded by the moves towards restoring capitalism in Eastern Europe. Even for the majority of the left who did not regard the Eastern bloc as 'socialist', it was seen as an obstacle to the West and imperialism, capable of aiding revolutions in the third world at least. Now that obstacle seems to be collapsing towards a final 'triumph of the West' – a perception reinforced by the spasm of frenzied imperialist militarism in the Gulf.

This sea change in international and domestic politics has in part created, and in part combined with, a growing feeling among many socialists that our traditional theories and programmes do not have the answers to many urgent problems – the ecological crisis is just one example.

In this pamphlet we argue that an adequate socialist response to

the current crisis has to be based on two things. First, a refusal to be thrown into despair and to give up on socialism. Second, a determination to think through the questions posed by the new world situation, and to engage in a collective effort to update and renovate our theories and practical political responses.

If socialism is confronted with major new difficulties, then the answer is most certainly not to collapse into a pro-capitalist stance. Whatever its contemporary successes, international capitalism shows no signs of being able to solve even the most basic needs of the hundreds of millions of desperately poor and exploited people in the world. Whatever is the answer, capitalism is not.

On the other hand, knowing capitalism remains the viciously exploitative and predatory system it always was will not give us answers about the character of the world crisis. Socialism, to be a viable goal and a guide to action which can inspire millions of working people, always has to change and adapt. The great socialist thinkers – starting with Marx himself, indeed – were not great because they repeated by rote the received wisdom of generations of socialists. They were great because they innovated, because they thought through new problems and gave new answers, because they provided a socialist vision for their times.

Rethinking socialism is not in itself 'revisionism'. On the other hand updating socialist theory is not the same as jumping on the bandwagons of fashionable right-wing intellectual fads – 'post modernism, post-marxism, post-fordism' and the like. Respect for the basic materialist values of evidence and facts has to be our starting point. Those who throw away the Marxist baby with the Stalinist bathwater will soon enough end up either demoralised or defenders of the status quo.

The New World Crisis

Nineteen eighty-nine will go down as one of the key years in twentieth century history. The breaching of the Berlin wall symbolised the collapse of the Stalinist regimes in Eastern Europe. The terrible events in Beijing shattered any remaining illusions that the bureaucratic order in China provided a more humane and progressive model. Rumbling on behind these events is the prolonged drama in the Soviet Union itself, with no certainty of any short-term socialist outcome.

A related event was the electoral defeat of the Sandinistas in Nicaragua, a profoundly demoralising event for the masses in Latin America and beyond. It is easy to conclude that it is therefore just world Stalinism that is in crisis, dragging down the whole socialist project. But the reality is much more complex. The collapse of Stalinism is a central feature of the new world crisis, but far from the only one.

The crisis of the Stalinist order is combined with a decades-long crisis of international capitalism, which is far from resolved. The new rise of imperialist militarism in the third world is just one aspect of the attempt to overcome that crisis and make the world safe for capitalism. To get a rounded picture of the world crisis it is necessary to integrate the following factors.

World capitalism has failed to escape from its long cycle of relative decline

The November 1987 stock market crash ended the 1980s speculative and inflationary mini-boom. World capitalism is now in its post- yuppie phase. For nearly twenty years international capitalism has been trying to overcome the crisis of profitability, a consequence of the end of the post war boom which lasted from 1950 until the end of the '60s.

International capitalism did undergo an expansion in the 1980s – a limited expansion within an overall wave of crisis and decline. This expansion was fuelled by the debt-led growth of the US economy. This growth, in part to fund the enormous US rearmament programme under Reagan and Weinberger, was funded by pulling in huge amounts of finance from Japan, Germany and the other major capitalist countries. The debt was used to finance US capitalism in a period when it was in fact a declining industrial power. Now the 1980s boom has gone into reverse. In the United States it has led to fiscal chaos as the government has teetered on the verge of bankruptcy.

Japan's economy is heading towards recession, and Japanese bankers can no longer be relied on to purchase vast amounts of US treasury bonds to bail out US government spending. Germany, the major capitalist power to have strengthened its overall position in the 1980s, is struggling hard to pay the costs of reunification. And Britain of course is heading to full scale 'stagflation' – a deep

recession combining high unemployment and inflation, which is a testament to the long-term failure of 'Thatcherism'.

A key response by the United States to its declining economic power has been to attempt to use its military outreach, its military and political leadership of the 'free world' to reinforce and extend its economic position. Its most spectacular success, so far, in winning full-scale military and political leadership of the West has been the Gulf crisis. But it is a risky enterprise. Anything less than total victory over Saddam Hussein threatens the authority of imperialism, and the political and military standing of the US in particular.

During the 1970s and '80s both the US and the USSR were declining economic powers, and owed their 'superpower' status to their military might. In economic terms both Western Europe and Japan strengthened their position. Now political crisis has devastated the military outreach of the Soviet Union, leaving the US as the one power able to use militarism to offset economic decline. It is using that option ruthlessly, as the invasion of Panama, intervention in the Gulf, the new military 'crusade against drugs' in Latin America, and continued huge presence in the Pacific all show.

The general capitalist response to the long crisis, most spectacularly after the 1974-75 recession, has been a prolonged effort at restructuring and social engineering to restore profits. This involved, among other things, the emergence of mass unemployment (40 million in the advanced capitalist countries); attempting to undermine the strength of the trade unions and other workers organisation; the attempted creation of a 'two-thirds society' to try to permanently casualise a huge section of the workforce and remove welfare benefits; and new forms of organisation of production (misleadingly called 'post-Fordism') whose fundamental aim is to lower production costs, especially labour costs. All these attempts at restructuring have hit women, black workers, and immigrant workers especially hard.

Despite nearly two decades of intense effort, the underlying capitalist crisis has not been overcome, because the solutions do not adequately address the problem. At root the profitability crisis is a crisis of overproduction (of the 'rising organic composition of capital') that can only be finally solved by finding new productive outlets for investment at a much higher rate of profit. Key to this is drastically cheapening the cost of labour power – in other words imposing gigantic defeats on the world labour movement. In spite of everything, such massive defeats have not yet occurred.

To say that capitalism is in a long crisis does not mean that it will collapse on its own. Lenin used to say that there is no crisis capitalism can't get out of provided the working class is prepared to pay the cost. There are ways out of this crisis for capitalism.

In the long-term, if capitalism were to be re-established in Eastern Europe and the Soviet Union, this could establish a huge new centre of capitalist production with labour costs much lower than in the West. But this depends on the workers in those countries being absolutely defeated, not only over the establishment of capitalism, but over their pay rates and social conditions as well.

The gap between the rich and poor countries is relentlessly increasing

For more than 10 years now real living standards in Africa and Latin America have been declining – both in absolute terms and in relation to the living standards in the more prosperous North.

During the same period per capita incomes in Asia have increased slightly, but this is mainly a result of the relative wealth of the four 'newly industrialising countries' – Taiwan, Singapore, Hong Kong and South Korea (as well as the increase in the productivity of agriculture in China). Even in the four newly industrialising countries, most of the population are poor in Western terms.

The key factor here is the prolonged tendency of the major capitalist countries towards lower profit rates, and the resultant debt crisis. During the 1970s huge investment funds were transferred to the third world – especially Latin America. Now the investment flow is in the other direction – the poor are investing in the rich through debt repayments, and the collapse in basic commodity prices, upon which many third world countries depend. The result is permanent political instability in the South.

The ecological time bomb is still ticking away

Degradation of the environment has been a feature of capitalism since the industrial revolution – a phenomenon underestimated by Marx. But the dimensions of this have now become a world crisis for one simple reason: because it threatens to become irreversible. The most threatening aspect of this is well known –

global warming and the destruction of the ozone layer.

Nobody knows, and nobody can accurately predict, the precise dimensions of the ecological crisis. What we do know is that unless radical planet-wide action to stop the burning of fossil fuels, the destruction of the forests and the use of CFCs is taken, global catastrophe could result. This is a central aspect of the developing world crisis, and one which more far-sighted pro-capitalist ideologists understand. But capitalism and the Stalinist bureaucracies are incapable of tackling the crisis. It requires international planning and the establishment of ecological priorities that neither the market nor bureaucratic planning can provide.

The above considerations show that while the present situation presents itself as primarily a political crisis of international Stalinism, world capitalism faces long-term trends that threaten it. From the point of view of humanity as a whole, the search for an alternative to capitalism and the bureaucratic economies is not just a moral question, but one of burning practical necessity.

The End of Stalinism

What was Stalinism, and why did it collapse?

Stalinism is the greatest tragedy of socialism in the 20th century. It consumed the hopes, the lives and energies of countless thousands who were its victims or its champions. Its outcome combines both tragedy and farce. Alas, the collapse of Stalinism in Eastern Europe, however welcome, has not immediately resulted in the establishment of democratic socialism. To answer why not, it is necessary to ask what Stalinism was, and why it collapsed.

The debate on the origins of Stalinism is a long and complex one. Plainly Stalinism was a system that combined centralised state planning and ownership of the economy, with the more-or-less ruthless political dictatorship of a bureaucratic elite. Its evolution in the Soviet Union combined two things: the economic and social effects of backwardness and isolation, and the political defeat which the forces committed to democratic socialism suffered.

The Bolshevik Party which led the Russian revolution lacked, because of the absence of any prior models, a deep-going

understanding of the dangers of bureaucracy. A theory of the bureaucratic degeneration of revolutions had to be worked out by the anti-Stalin opposition ad hoc, and in the midst of the struggle.

The seeds of the destruction of the Stalinist system were embedded in its initial successes. In the USSR the bureaucratic command economy proved very successful in the rapid industrialisation of society through extensive growth. Because of the USSR's huge natural resources, the mobilisation of ever greater amounts of raw materials and labour could rapidly create an industrial infrastructure – but at a terrible and unnecessary human price, including the death of millions in the forced collectivisation of the peasantry and the Stalinist purges. But Stalinism lacked one thing which capitalism – at least in boom periods, possessed – an in-built dynamic towards innovation. Thus while very successful at extensive growth, it lacked the capacity for intensive growth, for the constant upgrading of the quality of production, and the ability to satisfy growing consumer demands when the standard of living in the capitalist West was growing. Bureaucratic command economies have an inbuilt tendency not only to chronic waste and irrationality, but also to constantly reproduce themselves without innovation.

The simple reason for the collapse of Stalinism in the East is that, starting from a more backward economic position, it lost the economic competition with the capitalist West.

In the 1980s while the West underwent a mini-boom, the gap in the living standards between East and West increased. Western economic pressure, including the arms race, massively contributed to this outcome. Despite all the achievements over decades – the basic industrialisation, the cheap basic necessities of life, the uneven but generally free welfare system – in the end the Soviet economy went bankrupt. It showed, contrary to the illusions of many socialists in the '50s and '60s, the inability of the system to reform itself.

One factor which should be mentioned here is that the advanced capitalist countries, during the whole time which the Eastern bloc has existed, continued to draw huge imperial booty from the third world – in contrast to the Soviet Union. The result is that the world capitalist order contains not only the advanced countries, but areas where hundreds of millions endure the kind of grotesque poverty and misery which the workers in the Eastern bloc have never experienced. Therefore any picture of economic misery in the East and glorious success in the West is misplaced.

Why then has the revolt against Stalinism in Eastern Europe not led immediately to a democratic socialist outcome? First and foremost because the only visible alternative to 'actually existing socialism' is 'actually existing capitalism'. For the masses of East Germany in particular, but also the rest of Eastern Europe, democratic socialism is just an idea not a practical possibility. There is no attractive example of democratic socialism anywhere on this planet. In other words, it is because of the absence of socialism in the advanced countries, the failure of socialist revolution in the West.

The fate of socialism in the West

To answer the question of why the political revolutions in the East have not produced democratic socialism, we have to answer the key question of socialism in the West. It is, in a certain sense, the issue on which the whole history of the twentieth century and the very viability of socialism as an alternative hinges.

One answer to this puzzle is to say that socialism has not succeeded because capitalism has been 'too powerful'. In the post-second world war period, clearly the long capitalist boom of the '50s and '60s created a difficult terrain for socialist transformation. But the strength of capitalism is just part of the picture. After all, capitalism in the twentieth century has been through major slumps and crises, including two world wars. The answer to the puzzle is more complex.

Capitalism was not defeated in the West because it fought off the huge challenges it faced, and this is only partially explicable by the intrinsic strength of the capitalist system itself. In part, this outcome was determined by the very existence of Stalinism. By undermining support for socialism, Stalinism contributed to the continuance of capitalism and, ironically, its own demise. This has been particularly true of the post-war period in the democratic capitalist countries, where the Stalinist states were only an attractive alternative for an isolated minority of the working class.

Critical to the survival of capitalism was the defeat of the mass revolutionary parties and currents which emerged in the 1920s after the first world war. The historic defeat of the German workers' movement – the mass communist and social democratic parties – when Hitler came to power in 1933 – was the pivotal act in this tragedy. But the defeat of the left in the Spanish civil war, the defeat of the French Popular Front government and the second world war

itself all contributed to the dispersal and defeat of the socialist vanguard of the inter-war period.

The history of the twentieth century is full of examples of missed opportunities for socialist advance, and needless defeats. At root is the fact that the workers' movement was channeled by Stalinist and social democratic leaderships that blocked the road to victory. While the defeat of the socialist vanguard of the inter-war years was cumulative, we would single out three key struggles as decisive.

First, the defeat of the 1918-19 revolution in Germany, and the establishment of the Weimar Republic. The inability of the huge revolutionary vanguard organised in the USPD, the Spartakusbund and the revolutionary shop stewards movement to break the hold of the SPD reformists, opened the road to defeat. This, together with the lost opportunity in 1923, confirmed the isolation of the new Soviet state and made the rise of Stalinism much easier.

Second, the defeat of the anti-bureaucratic opposition in the USSR in the 1920s sealed the rise of authoritarian state 'socialism' and the incorporation of the world communist movement into Stalinism.

Third, the rise to power of Hitler, referred to above, isolated the revolution in Spain and cleared the road to the second world war.

Merely to argue that all these defeats were 'inevitable' is historical fatalism: saying that history turned out as it did because it was the only way it could have turned out. Such a position is profoundly mechanical, and underestimates the role of conscious human action.

At any rate, the militant socialist vanguard of the 1920s and '30s has not been rebuilt in the post-war years. Once the immediate post-war crisis was over, the long capitalist boom – while not exactly creating permanent stability – confined revolution to the third world. It has only been very gradually, since the onset of the long recession at the end of the 1960s, that militant socialism began to re-emerge as a significant current in the Western labour movements.

So far, militant socialism has not become a mass force, at least on the scale of the 1920s and 1930s. That kind of force, with several mass revolutionary communist parties in Europe, was the result of events of the magnitude of the Russian revolution. Such unequivocally revolutionary developments have not occurred in the post-war period, outside the third world.

Thus the immediate outcome of the political revolutions in

Eastern Europe is a product of this long historical evolution. It can only be turned around when the workers in those countries go through the experience of what the attempts to restore capitalism and the laws of the market actually mean.

The future for Eastern Europe

The outcome of the whole crisis that has been set in train by glasnost and perestroika centres on what will happen in the Soviet Union. Bureaucratic rule is much more deeply embedded there than in the other East European countries, and the Soviet Union is locked in a protracted crisis, the outcome of which is unclear. For now, democratic socialist forces are weak. There is no short-term possibility of a replacement of bureaucratic rule with socialist democracy.

Recent developments have thrown the role of the ruling bureaucracy in the Soviet Union and Eastern Europe into sharp relief. While the bureaucracy as a ruling caste cannot survive the restoration of capitalism intact, nonetheless sections of the bureaucracy will push for capitalist restoration as the only way to defend their individual position and privileges.

While big sections of the state apparatus would be destroyed by the rise of capitalism, many individual bureaucrats would find a niche either in a reconstituted state apparatus or by becoming individual capitalists. Developments in Poland show that local level bureaucrats are in a strong bargaining position to become managers or owners in newly privatised firms. A new capitalist state would have to incorporate wholesale sections of the old bureaucratic apparatus.

The various plans put forward by Gorbachev, Yeltsin and others for the marketisation of the Soviet economy all point in the direction of capitalist restoration. In the short term, however, they will lead to deepening chaos. Since there is not yet a powerful enough democratic socialist force in play, the result could well be a 'government of order' – based on the power of the army and the KGB.

Such a 'government of order' would almost certainly be incapable of preventing the de facto secession of many of the non-Russian republics. Neither would it necessarily prevent the rise

of capitalism in the Russian republic. In fact a semi-military government could be the antechamber of the restoration of capitalism, as happened in Poland after 1981.

What we are seeing now is that the bureaucracy is not the fundamental force for preventing capitalist restoration. So long as the bureaucracy could defend its power and privileges by warding off imperialism and by maintaining the bureaucratic state, it went for that option. When that seems an impossibility it will go for other options.

In the rest of Eastern Europe, with the exception of Romania and Bulgaria, bureaucratic counter-revolution, the restoration of old-style Stalinism, is very unlikely.

German unification has in effect already restored capitalism in the territory of the GDR. While the 1989 movement against the Honecker regime was started by New Forum and other forces on the left, the movement was rapidly overtaken by the unity offensive launched by Kohl and the West German bourgeoisie. The left in the GDR left itself open to this offensive by underestimating the national question – the fact that Germany was divided, against the will of the German people, by imperialism and Stalinism, at the end of the second world war. Once a movement against bureaucratic rule had begun, the issue of German reunification was bound to be raised sharply within the movement. Instead of repeating the slogan ‘Germany never’, the left in the GDR should have itself raised the demand for unification – but a unification which incorporated the social gains of the workers in the East.

The social costs of the transition to capitalism in East Germany are certain to be mass unemployment, the partial destruction of the state welfare system, and a growing backlash among the workers at the costs of the re-establishment of capitalism. But overall in Eastern Europe there will now take place a protracted struggle over the future social system. Pro-capitalist governments now exist in Poland, Czechoslovakia and Hungary. But a short-term re-establishment of capitalism is unlikely. These countries need a massive injection of foreign capital to privatise their decaying economies; that capital is not going to be forthcoming on an immediate and massive scale. Western investors will pick and choose the most profitable and advanced sectors. International capitalist institutions like the EEC, the IMF and the World Bank are already putting forward draconian conditions for investment funds and the renegotiation of the debt. Unemployment and austerity, the

removal of subsidies and a huge rise in prices – all these things are already happening in Poland – will be the result.

The austerity and restructuring offensive to create the preconditions for the resurrection of capitalism is bound to lead to a growing revolt among the workers. It is this which creates the objective possibility for the development of a socialist opposition capable of fighting for an alternative future.

Socialists in the West have to do everything possible to aid the developing socialist oppositions and to demand the removal of the debt and an end to austerity regime imposed by the IMF, World Bank and the EEC.

The new world situation summed up

Overall then we can see that the new world situation comprises the collapse of world Stalinism which has run out of steam, together with a deepening and drawn out crisis of international capitalism, creating in its wake ever-deepening misery in the third world, and interacting with a chronic ecological crisis.

Imperialism is attempting to resolve this crisis through an offensive which targets Eastern Europe, the third world and workers in the advanced countries. But we should reject all interpretations which see this situation as simply the crisis of Stalinism, with imperialism profiting through a massive offensive. International capitalism is still in a prolonged crisis which is one of the deepest in its history. How will it all turn out in the medium and long-term?

A lot depends on the precise outcome in Eastern Europe and the Soviet Union. If capitalism is restored throughout the region; if the working class in those countries allows its gains to be destroyed over a long period of time without fighting back; if such a defeat were to be combined with new defeats for the workers and progressive forces in the advanced capitalist countries and the third world – then the possibility would exist of a massive new expansion of capitalism, a new wave of sustained accumulation similar to that which happened in the USA, Europe and Japan after 1950.

We should remember that the collapse of Stalinism is a mixed blessing for the West. True, after some initial hesitation the Western leaders decided, in late 1989, to go all-out for the destruction of the Stalinist states, particularly by forcing through German unification. But the price to pay is the end of the bloc system and the division of

Europe, which was an essential part of the maintenance of the power of capitalists in the West and the bureaucrats in the East. Now international capitalism – like us – is entering uncharted waters in a situation where the division of the European working class is being overcome, in which all the political parties and trade unions – official and unofficial – in the east are being completely recomposed and recast.

Imperialism's international offensive contains its own dangers. The Gulf crisis shows these dangers graphically. The whole authority of international imperialism is at stake in the Gulf. Unless Saddam Hussein is totally defeated in a blitzkrieg war (which itself could lead to incalculable consequences for the world economy and imperialist domination of the Middle East) the US and its allies will suffer a gigantic political defeat. Such a defeat will have very negative consequences for imperialism in the whole of the third world.

All the developments in the crisis of Stalinism and the crisis-offensive of imperialism, show that the crucial obstacle to a new world order, which would combine imperialist hegemony with a new phase of rapid capitalist accumulation, is not the Stalinist bureaucracy but the international working class. It requires new defeats of world-historic proportions to make the world safe for imperialism again – defeats that have not occurred. It means defeating the labour movement in the West, the workers in the East and the rapidly growing new concentrations of the working class in countries like Korea and Brazil. It is a huge task, fraught with difficulties. There is still everything to play for.

Planning and the Market

The bankruptcy of the Stalinised economies, and the experience of bureaucratic nationalisation in the West, has understandably created a ferment of discussion about what a feasible model of socialist economy might be.

But pro-capitalist ideologues carry out a sleight-of-hand when they conclude that the Stalinist command economy, and the experience of bureaucratic nationalisation in the West, have proved that any form of socialised economy must be bureaucratic, authoritarian and inefficient. The choice which they present – either a bureaucratic command economy or the capitalist market – is a false

one. To see what the alternative might be, we have to explain why the Stalinist economies crashed.

In our opinion, the answer to this is that the Stalinist command economy (and indeed nationalisation in the West) was, over time, inefficient precisely because it was authoritarian and bureaucratic. Inefficiency and growing chaos was the result of trying to administer everything from the top – the huge over-centralisation, with the national ministries trying to determine everything. Various types of economic system cannot be democratic or undemocratic at will: a Stalinist type economy had to be dictatorial and authoritarian to function at all; a socialist economy which works to meet peoples needs has to be democratic.

Our starting point is a rejection of the idea that only the capitalist market can provide democracy and 'consumer choice'. In fact, despite the provision of a wide range of goods and services, the contemporary capitalist market is profoundly undemocratic in its allocation of the resources of society. There is no 'consumer choice' or 'democracy' about the way that the total social product is divided up between profits, armaments, welfare provision, investment, wages etc. All these things may be influenced by working class struggle, but in the end they are either the decisions of national and international capitalist corporations, or the decisions of capitalist governments – which are constrained by the decisions of those same corporations. Democracy through the choices of the individual consumer is a myth of monstrous proportions.

Neither is there real consumer choice about which products are produced. Exactly which consumers decided, democratically, that there should be 87 identical washing powders, each with their own costs of development, packaging and advertising? Or 500 near-identical computers with immense overheads of development and competitive marketing? No sensible person would 'choose' to have this situation: it is a product of capitalist competition, outside of any democratic decision.

The first rule of socialist economy must be the bringing of the basic decisions about the allocation of society's economic resources under democratic control. But this fundamental of 'economic democracy' has immense implications about the shape of a socialist economy. It means, at least, that the basic investment decisions have to be collectively made. And since they have to be made simultaneously (you cannot allocate 80 per cent of GNP to investment and 80 per cent to wages) they have to be part of an

overall plan.

It follows that the main production units in society have to be in social ownership. Why? If they remained in private ownership it would mean private companies which had their wages, profits, investments and products severely constrained by the national economic plan. But this removes the very motive for individual ownership, which is precisely to maximise profits – and which in turn requires private decisions on all fundamental issues of the allocation of resources. A private company that has its major parameters planned for it is really a socialised company. The reason for being a capitalist owner would be removed.

But these general considerations do not give us any detailed ideas about the way in which a socialised economy would work. For examples, what is the role of market mechanisms? Is there a role for strictly private enterprise?

The Market

So long as we do not have infinite economic resources, the social product has to be divided between investment and consumption. Either consumption goods for individuals can be directly allocated (rationing) or they can be bought and sold. If we don't have rationing we have to have a market. In a socialised economy, however, some goods and services presently 'marketed' to consumers – like public transport – could be of minimal price or free, in effect directly allocated.

But the majority of the needs of households and individuals would be bought and sold. A socially-owned economy, with a democratically-decided national plan, could allocate resources to consumption goods based on market indicators. For example, a drastic decline in the number of video recorders bought (highly likely in a society where leisure ceased to be privatised in the nuclear family) would lead to an adjustment in the plan. It is a myth that planning cannot respond to consumer preferences expressed in the market. Of course, opinion polls and consumer surveys could provide some data about the priorities of consumers. But the concrete fact of which goods consumers actually bought would be a decisive criterion for planning production.

Pro-market ideologists argue that national planning is too slow to respond to consumer preferences. But this need not be the case.

In the first place 'consumer preferences' in capitalist society are highly structured by what big corporations decide to make and aggressively market: we take it for granted that in a socialist society there would not be a spontaneous demand for yet another type of Jaguar car which the plan would have to respond to. We take it for granted that the obsessive and morbid consumerism of capitalism would gradually subside. But to respond to changing consumer preferences socialised 'firms' must have some freedom to swivel their production priorities. This is why a national plan cannot – as the Soviet Gosplan allegedly did (but in reality didn't) – plan the whole of the economy, from raw materials to every finished product. Not only does this prevent adaptability, but there are just too many decisions to be made.

The national plan in a non-bureaucratic economy would have to concentrate of making the basic choices between investment and consumption; between resources allocated to social needs like health, transport, and the social infrastructure in general; and resources allocated to individual consumption.

There is no reason why there should not be a private sector of small firms, both in production and distribution. Huge retail conglomerates (like Marks and Spencer and Tesco) would logically become social property: they would not be more efficient by being private or broken up. But the thousands of small retail outlets could easily stay in private hands; a portion of the 'profit' on goods would stay with the private owners for their consumption needs.

Equally, there could be definite advantages in having a private production sector of small firms and co-operatives, free to make their own decisions on what to produce, which could help to meet new and unexpected demands in the marketplace. Provided that they were limited in size, limited by taxation in the amount of profit they could make, and subject to strict guidelines on the pay and conditions of their workers, they could be a useful auxiliary to socially-owned firms. This is not to argue for a 'mixed economy', but merely to state that in the first phase of socialism a sector of small firms, rigorously controlled and subordinate to the much larger social sector, could be a useful adjunct aiding flexibility.

Choice and democracy

A socialised economy need not eliminate choice for the consumer; indeed it would make it more rational and extend it. The basic

choices of allocation of society's resources between sectors would come under public control for the first time.

Irrational choice – the 'freedom' to choose between 78 washing powders, 257 brands of identical lager or 137 different microwave cookers – would probably be eliminated. But there are much more important choices to be made by individuals and society as a whole.

More socialised services – for example an extension of the number of cheap, socially owned restaurants and a huge increase in the allocation for socialised child care – would decrease the demand for consumer durables. Choice for individuals would gradually revolve around what they do rather than what they own. A radical reduction in what individuals pay for housing could quickly increase private real incomes.

But the radical restructuring of consumer demands through increased socialisation should not be allowed to limit the choice of those goods and services which people wanted a variety of. Clothes, food, restaurants, and books are obvious examples. The important thing at every stage is that the resources allocated to each sector – and by extension to the number of different products which could feasibly be produced in each sector – would be the subject of democratic decision.

Efficiency and innovation

But what would make a socialised economy tick? What would generate innovation and growth? In capitalist society the drive for profit is the key to innovation and cheapening production. In the bureaucratic economies it is the logic of the bureaucratic plan that obstructs innovation and efficiency.

The basic answer is democracy. Workers in the Eastern bloc, by contrast, have no interest in making innovations and making production more efficient because they gain nothing from it. In a society in which the plan was under democratic control there would be two key factors for workers and work units to make their production more efficient and to innovate.

First, if – within the guidelines of the plan – individual work units were free to democratically organise their production (hours of work, organisation of work etc.), workers would have an inbuilt motive for making their work less time consuming and more

efficient. This could generate a collective desire to organise the work efficiently, and to dispense with oppressive labour discipline characteristic of capitalism.

But second, if (and only if) the overall direction of the economy were under democratic control – and there was no capitalist or bureaucratic elite engaging in conspicuous consumption – a sense of collective effort and identification with the common goals of society.

Individual technological innovations could be rewarded not only by prestige for those who developed them, but in the early stages of a socialised economy, by material incentives as well. The whole point of a democratically socialised economy is to unleash the tremendous knowledge, skill and capacity for imaginative leaps and innovation which remain 'locked up' and repressed in workforces dominated by oppressive labour discipline. Two things are critical for doing this: democratic control over the national plan, and workers self-management in firms and production units.

Choices over economic growth

Capitalism has an in-built tendency (in boom periods at least) to technological innovation and economic growth. In a socialised economy more fundamental choices about growth could be made. In any case, there must be a limit to economic growth. There are only a limited number of material goods that any one individual can use.

Moreover, economic growth might be limited by ecological considerations. Workers might choose, in debating the national plan, to have less economic growth in return for shorter working hours. From this point of view, it is wrong to pose the question of how a socialised economy could do everything that a capitalist economy does. In a socialist economy we would not want to do everything that a capitalist economy does. It seems likely that any kind of socialism would prioritise improvements in the quality of life, which is not exactly identical to the pathological production of more and more things.

Free time is the most precious commodity which is denied to workers by capitalism and bureaucratic regimes. More free time, together with the basics of health care, more socialised domestic labour, education, affordable public transport, housing – together

with the availability of rational choices over individual consumption – are possible in a socialised economy. No proponent of the market even dreams of these things.

Democracy

The worst aspect of the crisis in Eastern Europe, from an ideological point of view, is the apparent social choice which is presented: either a state economy with no democracy or capitalism with democratic freedoms. To win any mass following socialists have to appropriate democracy, not only in the kind of society they argue for; not only in the immediate goals they fight for; but in their practices in the labour movement in general and their own organisations in particular.

Authoritarian forms of social organisation always have their root in the defence of material or social privilege, rather than just in authoritarian ideology. That can be the privileges of classes, of bureaucratic elites or political leaders. The maintenance of any form of social privilege always requires the exclusion of the non-privileged majority from active participation in decision making. Active democracy at any level – in society as a whole or in political organisations – requires free time, the wide dissemination of information, and open structures of participation, together with the sovereignty of the majority expressed through votes. This is why active democracy is utterly incompatible with an economy dominated by the market; in a market-dominated economy the central economic decisions, the basic allocation of society's time and resources, are decided informally by powerful groups and cliques.

We shall not here make an extensive critique of democracy under capitalism ('bourgeois democracy'). We take it as read that although these societies have wide formal and actual freedoms – of speech, publication, political organisation – the meaning of these freedoms is circumscribed by unequal access to resources, information and the material means of power and decision making. Is an alternative possible without descending into one party rule or bureaucratic tyranny?

Unless one presumes some evil and eternal human nature, a democratic socialist system must be feasible. What would be its central characteristics? Practical socialist democracy would have to integrate two central factors. First, that real democracy is active democracy, with the right of citizens to be semi-permanently

involved in decision-making, especially over their own lives, and the decisions of the collective enterprises – from factories to housing estates – in which they participate.

Second, any national structure of democracy is always representative democracy. There can never be permanent participation of the whole of society in every single decision; at some level delegation, and the election of delegates, has to be accepted. How, then, could active participatory democracy at the 'base' of society be articulated with a 'representative' national structure? Working out an exact blueprint in advance is not possible. But some basic principles are clear.

Every citizen should have an equal voice and vote in decisions of institutions to which they belong. The proposals about how to organise a particular office, factory, club, local citizens committee etc. – should be debated openly and voted on. Decisions should be taken always at the lowest viable level. The principles of 'workers self-management' should be extended to every institution in society.

Socialist democracy is the democracy of multipartyism. Only parties that organise armed struggle against the state should be repressed. But for multipartyism to be democratic it means democratising access to the means of propaganda and the media. All political parties should have access to finance; all organised political and citizens groups should have access to the printed media and television. The democratisation of the media is a fundamental of democratic socialism. All workers and citizens groups, all political parties, should have access to meeting halls and offices.

Even in a regime of workers self-management, some form of national assembly would be required. The precise form of election of such an assembly cannot be predicted in advance. Perhaps it would be directly elected in a general election; perhaps partly directly elected, partly elected as delegates from local and regional working class assemblies. In any case, delegates to a national assembly should be instantly recallable by their electorate and paid no more than the average wage. Politics would thus be 'de-professionalised'.

It goes without saying that a socialist democracy would represent, in all elections, political viewpoints and parties in strict proportion to the votes cast for them. The basic premise of socialist democracy is social control over the economy. The extension of democracy inherent in socialism is not simply the democratisation

of the formal mechanisms and institutions of power; neither is it simply the vast opening of the continent of politics to the masses of the people; it also vitally consists in a dramatic widening of the scope of political decisions, away from secret industrial, banking, military or intelligence cabals, to the open and public decisions of the people. Such democracy is literally impossible without a socialised economy.

Socialist democracy then is the notion of a society in which active, participatory democracy is structured in a system of workers self-management and political pluralism, freedom of information, democratic control at every level, and the 'de-professionalisation' of politics. It means involving people in active 'politics' through ensuring their decisions actually affect their lives.

Of course, this is not what people experience in 'democratic' capitalist countries today; but neither is it what they experience in the organisations of the labour movement. Socialist democracy is not just simply about abstract democratic goals for a future society: it is about the demands we fight for in society now; and it is about the way we conduct our own affairs in the labour and socialist movement. The two things are linked. The acceptance by the right wing of the labour movement, and the bureaucracy, of the present undemocratic order of society, is linked to the way they run their own organisations.

If the goal of socialist democracy has to be fought for by socialist and democratic methods, two things are needed. First, a fight against the bureaucratic domination of the labour movement. The fundamental factor here is the existence of the trade union bureaucracy as a definite social layer with its own privileges, and its own material and political interests. The democratisation of the labour movement means the open election of all officials, democratic decision making at every level, and full time officials being paid no more than a skilled worker.

Second, socialists have to be the foremost fighters for democratic rights under capitalism. This doesn't mean that we can permanently establish and maintain democratic gains: so long as capitalism exists democratic rights can be taken away – the reintroduction of the death penalty in the USA and Clause 28 in Britain show this. But by championing an extension of democratic rights under capitalism, through such things as a Freedom of Information Act and proportional representation, we can both fight for reforms that make the struggle for socialism easier by giving the working class more

space to organise and assert itself; expose the inadequacies of existing 'democracy'; and show that socialists are not indifferent to, but are the best champions of, democratic rights.

The working class and liberation politics

Socialists have always argued that the working class is the central force for socialist change. This is not for any moral reason, or because it is always the most oppressed group in society, but because of its numerical strength and its central role in the production process.

An inevitable debate has grown up around the precise relationship of working class struggle to that of groups in society – often in their majority of working class composition – who are specially oppressed and have begun to organise against their oppression. Further questions have been raised about the changing composition of the working class itself. It is vital that socialists get these questions right.

Goodbye to the working class?

The most notable features of the changing character of the working class in nearly all advanced capitalist countries are the decline of industrial-manual labour; the growing feminisation of the workforce; and the increased division of the workforce between a core of stable, permanently-employed workers and a growing 'periphery' of casualised, occasionally employed workers. None of this should lead us to say 'goodbye' to the working class.

The decline of manual labour, and the growing number of white collar, service and distribution workers is a product of the changing nature of capitalist production, a consequence of technological change. However, it is wrong from a theoretical and practical point of view to imagine that the change in the composition of the workforce has substantially reduced the number of workers.

On a global scale, of course, not only has the number of workers increased dramatically in the past twenty years, leading to huge new concentrations of the proletariat in countries like Brazil, Korea and China, but in the third world the number of industrial workers has increased dramatically too. The decline of industrial, manual labour is a feature of some of the advanced capitalist countries, not of the capitalist world as a whole.

White collar workers, in private industry like banks and insurance, in local government and education, are often worse paid than industrial manual workers. Their relationship to capital is still one where they have to sell their wage-labour and are exploited. And they are massively unionised. It is true that frequently they do not have the same militant traditions of long-established industrial groups like miners, engineers, car workers or dockers. But the primary reason for this is that such militant traditions have to be built up over time.

White collar workers are going through a process of establishing these traditions, which take decades of accumulated experience. But it remains true that in many countries, both because of accumulated traditions, and the repressive character of work discipline, industrial workers remain the core of the most militant sectors of the working class.

White collar workers often have boring, repetitive and meaningless jobs, and have no identification with their work or product. Service workers are generally highly oppressed in both pay levels and their work regime. In some sectors they are not well unionised – for example in fast food chains and retailing. But they are equally part of the working class.

The resurgence of militant trade union struggle in both Britain and other major capitalist countries in recent years shows there is no reason for saying 'goodbye' to the working class, either as a really-existing social category or as social and political actors.

However, the level of trade unionisation, and the objective basis for the unity of the working class is threatened by recent developments towards more part-time (often women) workers, and the growth of unemployment and casual labour, as well as privatisation and 'flexible' working practices. These developments are part of the capitalists' drive to restructure production and to make the workforce more 'flexible'. Practices like performance-related pay and local pay bargaining deepen these dangers of division, and open the door to a de-unionisation of

sections of the workforce.

This poses a challenge to the trade unions. The fight for the unity of the working class can only be advanced by making special attempts to unionise new sectors of workers, to make special provision for the involvement of women and part-time workers in the unions, and to fight unemployment and casualisation. Overall, the advanced capitalist countries – despite the big decline in unionisation in countries like the United States and Spain – are marked by the fact that the working class has not numerically declined, nor have the mass working class unions and political parties disappeared.

Autonomy and liberation politics

Since the 1960s the relationship between the labour movement, socialist organisations and movements for the liberation of the specially oppressed have been fraught with conflict and difficulty. How should militant socialists see the development of autonomous movements of the oppressed?

The best place to start is with the relationship of the oppressed – of women, black people, lesbians and gay men and people with disabilities – to capitalism. Women's oppression certainly predates capitalism, and it is a moot point whether it predates class society. Other forms of oppression are more directly linked to the history of capitalism: modern racism, for example, cannot be separated from the history of imperialism and African slavery.

But whatever the precise historical origins of these forms of oppression, one thing is clear: they have acquired their own dynamic, and are not automatically destroyed by the destruction of capitalism. The history of all the post-capitalist states since 1917 shows this clearly.

Thus while the destruction of capitalism is a necessary condition for the liberation of oppressed groups, it is not sufficient. The overthrow of racism, sexism and other forms of oppression requires the destruction of capitalism and the establishment of socialist democracy, but will not be guaranteed by it. To ensure that requires specific movements, specific struggles, led by the oppressed themselves.

It follows that the specially oppressed have the same interest in the destruction of capitalism that the rest of the working class have,

and this is the objective basis for an alliance of the working class with the oppressed – whether those oppressed people are part of the working class or not. It also follows that for the specially-oppressed to merely fight to overthrow capitalism on the expectation that socialism will ‘automatically’ liberate them flies in the face of historical experience. If the basis of the autonomous movements of the oppressed is to pursue the specific struggles and needs of those oppressed groups, three things follow.

First, autonomous self-organisation of the oppressed is a democratic right, in the labour movement and in society at large. It is not ‘divisive’, but creates the basis for a mobilisation which will create unity at a higher level.

Second, the best way to mobilise and involve the oppressed in struggle against their oppression is to build self-governing movements, capable of identifying their own goals, their own strategy and tactics and their own methods of struggle.

Third, while women’s movements, black movements, lesbian and gay movements and movements of people with disabilities will be socially autonomous and self-governing, they cannot be isolated from the general political currents in society. A huge range of diverse political ideologies exists within these movements.

It follows that socialists, while being the champions of the movements of the oppressed, will also, inevitably, fight for an anti-capitalist perspective within them. While liberation movements, at least in Britain, have tended to be aligned with the left, this does not mean that they have been consciously anti-capitalist or revolutionary. On the contrary, most of the currents within the labour movement, and many in society at large, spontaneously develop inside movements of the oppressed – reformist, liberal, populist – even Stalinist. Unless socialists intervene with their own political priorities, these movements can be co-opted in a reactionary direction.

There is nothing undermining to autonomy for socialists within these movements to fight for a strategic alliance with the labour movement, and an anti-capitalist perspective. That doesn’t mean building a ‘socialist’ womens movement or a ‘socialist’ black movement, but merely that the different political perspectives within them will inevitably be debated -not in the form not of the adoption of rival ideologies, but in the form of contending proposals for concrete political action.

The conception of liberation politics outlined here means trying to articulate in a common alliance global anti-capitalist objectives with the demands and movements of the oppressed. But achieving that, of course, is not just a question of the autonomous movements getting their anti-capitalist act together. It is a question of the labour movement demonstrating its practical commitment to the goals of liberation politics.

There are major structural obstacles to this objective. A commitment to the goals of liberation politics means not just campaigning around lesbian and gay, black or women's issues – like racist deportations, donor insemination, sexual harassment, abortion – which the labour movement and the left has taken up to some degree or other. It is also a question of giving oppressed groups the political space and the democratic right to articulate their own struggles and objectives through the labour movement and the left.

This objective is impossible without the right to autonomous organisation inside the labour movement and positive action to challenge the bureaucracy and spontaneous hierarchies – characteristic of capitalism but reproduced throughout the labour movement.

There is no set of timeless formulas and practices which sum up 'positive action'. In general it means special measures, over and above the normal workings of the labour movement and the left, to ensure not only the participation of the oppressed, by the right to contribute at all levels, including the right to leadership.

Building a stable alliance between the labour movement, the left and the movements of the oppressed is bound to be a long process and a contradictory one. It will be contradictory and fraught with difficulties because both the labour movement and the movements of the oppressed are traversed by contradictory and hostile ideologies, ones which often represent the pressure of the trade union and Labour bureaucracy, or – in the last analysis – different class pressures.

In other words, socialist support for and participation in liberation politics (including participation in the leadership of liberation movements) is not something that will be 'achieved' once and for all; it is a permanent practice and a permanent tension. On it depends our ability to construct the kind of alliances needed to defeat the capitalist order.

Reds and Greens

Few people now doubt that there is an ecological crisis; we referred above to its general dimensions. Pollution of all sorts poisons the earth in many ways, but the greatest potential danger is global warming.

Unless radical measures are taken to stop the emission of greenhouse gases, mainly CO₂ caused by the burning of fossil fuels, the climate of the planet could change dramatically leading to catastrophe for human civilization. It is difficult to say whether things are already too late, but we have to assume that remedial measures can be taken, rather than just resign ourselves to despair. What are the conclusions for socialist ideas about the world economy and socialism? Do we have to modify our programme fundamentally, especially in relation to proposing economic growth?

First, genuine remedial measures can only be achieved by widespread international co-operation and international planning. As Thatcher's response to the report of the conference of international experts shows, this is highly unlikely outside of a socialist system of international co-operation. There is simply no capitalist government which has the defence of the planet as a major political objective.

Second, alternative technologies are already available, for example for power stations (catalytic converters) immediately and drastically to reduce the pollution of the atmosphere. These only require the investment; it has been calculated that this investment would add in the short term about 10 per cent to the cost of electricity. It is only the defence of profits that stops this technology being introduced.

Third, the filling of the atmosphere with greenhouse gases and the partial destruction of the ozone layer is the result of the use of technologies and techniques which are socially irrational in any case (like Mrs Thatcher's 'great car economy'). Measures to replace these technologies – through a massive programme of investment in public transport for example – require social control and planning of the economy.

Fourth, the destruction of the environment often revolves around irrational forms of consumption that are not, in themselves, essential for the maintenance of the living standards of the workers in the Western countries. For example, the destruction of the rain forest in parts of Central America is in aid of the production of vast quantities of beef for McDonalds and Burger King. This is not central to the living standards of the Western workers or the sum total of human happiness!

Fifth, it is wrong to identify industrialisation and industrial processes in themselves with pollution or destruction of the environment. A return to a 'pre-industrial' era is a reactionary utopia, the most extreme proponents of which, like Edward Goldsmith, editor of *The Ecologist* magazine, propose a return to primitive agriculture, village life and the medieval family (ie to feudalism). However, socialism would surely redefine consumption habits.

While socialists are not opposed to choice in personal goods, the production of a huge swathe of consumer goods is irrational and worthless. Negative growth is not a possibility in the immediate future, if only because the advanced countries, under socialism, would have an immense job in aiding the third world raise its living standards.

Nonetheless, through redefining consumption habits, a socialist society would automatically strike at many sources of the destruction of the environment.

In the long term, though, there is a failure in socialist theory, from Marx onwards. Marx assumed, and numerous references can be given to support this, that the resources of the earth were for all practical purposes limitless. Based on the technique of the mid-19th century this was perhaps not such an unreasonable assumption. But as we know, the resources of the earth, especially the mineral and forestry resources, are limited.

This limitation cannot be evaded merely by evoking the wonders of planning. Major changes to productive technique will have to be made, as well as changes in consumption patterns.

All this also implies a massive programme of scientific research, much more productive for humanity than all the wasted money on space research and nuclear weapons.

In the light of the above, how should socialists see the relationship between socialism and ecology, between reds and

greens? Ecology is not just about defending 'nature' or some abstract idea of the environment; it is about defending our species and in particular the popular masses thereof. It is of course always the workers and peasants who get the rough edge of the degradation of the environment – whether it be the workers of Poland, or the rubber tappers of Brazil, the workers and peasants of Bhopal or the working people of the Ukraine and Bulgaria, who were hit by the fallout from Chernobyl.

The destruction of the eco-system is not the product of an inexplicable vandalism towards nature, but of definite social and political forms of organisation, generally those associated with profit and bureaucratic privilege. That's why we should reject the idea that concern over environmental issues transcends left-right divides: ecology is a central issue of socialist politics because the destruction of the environment is a central attack on working people. It is symbolic that Chico Mendes, assassinated leader of the rubber tappers, defender of the rain forest and of the Brazilian indians took his place among the ranks of the biggest movement in Brazil to defend the environment – the Workers Party. Ecology is a class issue: making it an active component of socialist politics requires more than a platonic 'alliance' of reds and greens: it means making ecology part of the socialist programme.

Internationalism

In the 1960s Marshall McLuhan talked about the world becoming a 'global village'. Today politics is global in the most direct sense. When Mikhail Gorbachev catches cold a revolution happens in Eastern Europe and there is a semi-revolutionary uprising in China.

The scenes of people, mainly young people, greeting one another at the Berlin wall were not mainly a sign of reactionary German nationalism: they were the spontaneous expression of internationalism among youth today. Other things have shown it dramatically. The response of millions to Live Aid, to Nelson Mandela, and in a more political way to the Nicaraguan revolution show the potential. This is not just altruism, but a live sense of internationalism. The question is, what should the left do with it? How can we utilise this internationalism for positive socialist ends?

Socialist internationalists have nothing in common with the yuppies at whom Robert Maxwell aimed his *'European'* – 'people who speak at least one foreign language, know the difference between plonk and good wine and go abroad for their holidays' (generally making boorish idiots of themselves). The smug pseudo-cosmopolitanism of the British middle class young is only the flip side of their inherent racism and chauvinism. Little England takes pride in knowing its claret, as it has done since the English kings owned whole chunks of France.

Neither is true internationalism the facile 'we are all the same' lowest common denominator of the Eurovision song contest and the kind of outdated pop songs which predominate in ski resorts and the Costa del Sol. Real internationalism is the solidarity of struggle; of the Spanish civil war, of the Vietnamese resistance, of Nicaragua and the black struggle in South Africa.

But new times require new forms of solidarity. The internationalisation of production goes hand-in-hand with the internationalisation of politics. The multinational corporation which can move production from one end of its 'global factory' to another with the flick of a computer switch makes international trade union organisation a vital necessity.

But the specific form of internationalism we need today must be premised on an understanding of the collapse of Stalinism and the new global offensive of imperialism. Its specific targets are the peoples of the third world and of Eastern Europe.

First and foremost the peoples of both these areas are the victims of the debt crisis and the IMF and World Bank-inspired austerity offensives. The effects of these in Latin America are well-known. In Eastern Europe they are being utilised as a lever to impose austerity, privatisation and price rises – in return for capital investment. Hungary and Poland have been early victims. The international campaign against the debt is gaining ground. In 1989, during the 'G7' meeting of Bush, Kohl, Thatcher and the rest in Paris, 250,000 people demonstrated against the debt. The 1991 G7 meeting is in London – an opportunity to extend the campaign against the debt to Britain. The campaign against the debt must be built far and wide.

Europe is being carved up and redivided behind the backs of its people. The institutions being used for this are the IMF, the World Bank and something which calls itself 'Europe' – the European Community. Socialists should have no illusions that the EC is anything other than the capitalist club – an unreformable one – it

has always been. Bringing solidarity to the peoples of the third world and Eastern Europe means demanding an end to the debt, and for new patterns of trade and aid. In Eastern Europe and the Soviet Union it means demanding an end to the trade restrictions and tariffs which have still not been removed by the West.

Contemporary internationalism means understanding, as we argue in the next section, that there is the world-wide growth of a new type of class struggle and socialist organisation – exemplified by the Workers Party in Brazil, the FMLN in El Salvador and the new socialist and trade union organisations in the Soviet Union – with which we can link up and build. Socialist internationalism today, in the epoch of global politics – and, let it be said, affordable plane travel – has to be practically involved in building new socialist organisations in Eastern Europe and the Soviet Union; and aiding the emerging internationalist left in many parts of the world.

The Masses Make History: Lessons from China and Eastern Europe

The events of 1989 should logically reinforce the idea that it is the power of the masses which makes history. The workers of China, Czechoslovakia and the GDR were not partisans of contesting theories of revolution; they just acted – and their action took them into the street and into conflict with the state authorities. Equally so in the Soviet Union: massive social change inevitably involves the mass mobilisation of the people.

Nobody should want to hold up some bizarre conspiratorial theory of violent revolution carried out by a disciplined minority; but then anyone who thinks that fundamental socialist change, the transformation of society in a democratic and egalitarian direction, will necessarily conform to the deadening antique rituals of the Mother of Parliaments is not living in the real world.

The events in the GDR and China in 1989 of course cannot be taken as direct analogies with advanced capitalist countries like Britain: but they do tell us something about socialist change. The difference between China and East Germany was that in the former the state power held firm and fought back using

counter-revolutionary repressive methods.

In the GDR, however, the state machine was paralysed by the instructions of its senior partner, the USSR not to resist the mass mobilisations. The result of its inability to use repression was its collapse. The last refuge of any repressive order is always its military apparatus, its use of force: there is no reason why advanced capitalist countries should be different from East Germany, China or South Africa.

Every repressive social order relies on a combination of consent and coercion. In advanced capitalist countries which are 'democratic' there is particular emphasis on complex and sophisticated methods of consent, in particular the dominance of the ideology of 'democracy' itself. Eurocommunist theoreticians, misusing Gramsci, put all the emphasis on the maintenance of capitalist ideological 'hegemony', and reduce the tasks of socialist transformation (if they still believe in it) to fighting that hegemony.

But the defeat of pro-capitalist ideology in society is not primarily a directly ideological task; if it were, the task of socialist would be reduced to speechifying, rather than building and extending struggles. Eastern Europe shows that ideological certainties can collapse overnight in the face of mass struggles.

The key to the reform/revolution debate is the idea of state power. Social democratic reformists and liberals reduce the notion of 'power' to something that is distributed around society in discrete blocks among different 'elites'. Militant socialists understand that power in capitalist society is concentrated and articulated in a hierarchical class power, which has the state at its apex. That this state has immense repressive potential, even in Britain, can hardly be doubted by anyone who has either been on a large demonstration or given it a moment's thought.

Partisans of 'the revolutionary road to socialism' are not for a militaristic form of struggle. They do not deny that instances of the capitalist state – a parliamentary majority – can be captured by socialist and progressive forces. All they say is that the repressive function of the state has to be dealt with. The best variant is the collapse of the repressive state power in the face of demoralisation and overwhelming odds, as happened in East Germany. In the GDR the repressive power collapsed; but there is no guarantee that this will always be the case. In times of revolutionary turmoil the working class cannot give up the option of coercion against the ruling class to impose the democratic will of the majority.

Towards 2000 – Prospects for Socialism

A sense of perspective

Socialists rarely feel that they have nothing to do: most of them are furiously involved in the hurly-burly of practical politics. All too often, it seems, for too little reward in achieving socialist victories. It is therefore necessary to have a sense of perspective of where we are now and what the prospects are for socialist victory.

In terms of the history of humanity we are not very far along the road. The human race is perhaps 5 million years old at most: if the planet survives we have some tens of thousands of millions of years to go. But since none of us is going to be around that long, it is worth looking on a bit of a shorter scale.

Lenin said that the imperialist epoch – roughly this century – was the 'epoch of the transition to socialism'. But there was no exact timescale implicit in that idea. It took centuries for the transition from feudalism to capitalism: and it will clearly have taken tens of decades before capitalism is finally defeated.

Humanity always learns lessons practically before it learns them theoretically. In the twentieth century it has taken the long and bitter experience of Stalinism for the socialist movement to begin to internalise the necessity for democracy, as an integral – and not contingent – aspect of viable socialism.

The old Stalinist order in Eastern Europe, with all its ruthlessness and inhumanity, is in the process of crashing. In most cases this was because of the sustained semi-revolutionary mobilisation of the people. Let us not forget that the pivotal events in 1989, which isolated the regimes in Czechoslovakia and Romania and prepared the ground for their downfall, took place in the GDR and were led by the left.

In any case, the fall of the Stalinist regimes is a major victory for working people and the left everywhere. Those who long nostalgically for the days when they had the Berlin wall and a ruthless Stalinist oligarchy to give them comfort from the cold winds of capitalism really have missed the point of what socialism is about. But the question remains who will reap the rewards of this victory

in the long term. As we argued earlier on, the absence of any viable practical models of 'really existing democratic socialism' have made a socialist victory in Eastern Europe much more difficult in the short term. This means that Eastern Europe is the target of a massive imperialist offensive and that the outcome will be the result of a long struggle.

But in the long struggle for socialism which faces us, there are massive reasons for hope, massive obstacles to the stabilisation of imperialism, huge resources for victory. They lie in the giant social and political changes which have taken place in the last twenty years.

Social and political recomposition: we are the majority

When Marx wrote *Capital* the working class was a tiny minority: today it is the majority. At least, it is a disputed point today (as opposed to 20 years ago) whether there are more workers or peasants in the world – and this is largely a matter of definition.

This outcome is the result of the process of partial industrialisation in some third world countries, and the decline of the peasantry and the growth of urbanisation everywhere. Giant new concentrations of the working class have emerged in countries like Brazil, China (where 450 million now live in towns), South Korea and Southern Africa. The result is found in the giant trade union and political struggles which have emerged in those countries. Thus while Europe remains the centre of the most solidly organised working class in the world, its numerical domination has vanished: it is a tiny minority.

Politically, and this combines with the crisis of Stalinism, we have seen an eruption of new kinds of organisation outside the traditional Stalinist and social democratic framework. There are numerous examples; among the best known are the PT (Workers Party) in Brazil whose candidate for president won 32 million votes in 1989; the politico-military parties and mass peoples' front of the FMLN in El Salvador; the COSATU trade union federation in South Africa; the mass revolutionary organisations in the Philippines; the FSLN in Nicaragua; independent trade union groups in the Soviet Union; and in its early stages at least, Solidarnosc.

These movements are very diverse and have different characteristics. But they are all part of a common trend towards the emergence of non-Stalinist class struggle movements – parties and

trade unions. This world-wide recomposition of left politics, outside the Stalinist and social democratic framework, creates immense possibilities for a new type of socialist politics internationally.

The workers have not been defeated

Over and above the ideological and directly political development of the international workers movement is the material relationship of forces.

First and foremost we have to note that despite everything which has happened since the late 1970s, in no major country have the workers been decisively defeated – as happened in Germany in 1933 for example.

The major organisational and political bastions of the working class are still intact, particularly in Western Europe. The worst defeats in recent years have perhaps been the collapse of trade unionism in Spain (but even there struggle is reviving and together with it the militant left); and the decline in trade union membership in the USA. But even so, there have not been the kind of historic defeats to compare with 1933, or even the British general strike. This is extremely important for the future development of the socialist movement.

The emergence of new fronts of struggle

As we argued above, the anti-capitalist movement today is characterised by its diversity, by the addition to the militant socialist movement and the labour movement in general dozens of new movements, dozens of new fronts of struggle – against the destruction of the environment, against sexism, against racism, against specific aspects of imperialism, against the oppression of lesbians and gay men.

This richness is not a regrettable cause of difficulty, but an immense source of potential strength. As we have argued, it is not possible for these movements to be finally victorious outside the construction of socialism internationally. The main force for socialism, because of its numerical strength and central place in production, is the international working class and its organised movements. To take the working class forward, the left has to create a vision of socialism that will enable the diverse fronts of struggle to be united around a common centre – the struggle of the working class.

Organised Marxism

The implication of everything we have written in this pamphlet is that Marxism remains the sole effective mechanism of understanding the world we live in and consciously acting upon it for socialism. Our account of twentieth century history has laid stress on the missed opportunities for socialist advance. It follows that socialists should not be neutral or agnostic on the main issues of strategy which face the organised workers movement.

Socialism is not inevitable; there is no crisis the capitalist class cannot escape from if those they rule are prepared to pay the price. The main chances for socialist transformation arise when the capitalist system itself faces crisis and instability. But capitalising on these crises requires the prior existence of militant socialist forces based on Marxism – in Britain and internationally – able to win support in the working class. The working class, the poor peasants and agricultural workers, the shanty town dwellers, the racially and sexually oppressed – in other words the overwhelming majority – still have a world to win. Scepticism and demoralisation will do nothing to help them win it.

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