

1. PROGRAMS FOR REFORM

The contradictions of Stalinist society came to a head spectacularly in the 1980's. The collapse of one regime after another at the end of 1989 culminated a sequence of momentous events succeeding one another at an accelerating pace throughout the decade. As the systemic crisis deepened, it became increasingly clear that Stalinism could no longer rule in the old way. The ruling classes had lost confidence in their economic system and were searching desperately for alternatives. They debated how to reform while grasping for Western assistance — lest they have to deal with what rulers everywhere call “anarchy”: social revolution.

The hurricane of revolution that swept across East Europe in 1989 forced the issue. The people of East Germany, Czechoslovakia and Romania drove out the leading Stalinists. Elsewhere the ruling parties escaped obliteration through preemptive renunciations of Stalinist policies: a deal with opposition politicians in Poland, a self-transformation to social democracy in Hungary, a CP housecleaning in Bulgaria. Looking on benignly was the Soviet regime occupied with its own crisis, a combination of economic disaster and disintegration of its internal empire.¹

Whether achieved by the masses directly or not, all the transformations were made under the threat of mass action — and in fact under working-class pressure. In East Germany, it was the hemorrhage of the CP's base in the factories that forced the hardline Stalinists to surrender; in Czechoslovakia, the workers' massive participation in a general strike; in Poland, the revival of nationwide strike waves. In the Soviet Union, the whole reform process had been triggered by the Polish working-class revolt of 1980-81, which forced the rulers to face the prospect of rebellion by their own workers and subjugated nationalities.

For Marxists the upheaval is a tremendous confirmation of the social power of the proletariat, despite the gloating by bourgeois ideologues over the “end of Marxism” — and even though the workers are hardly conscious of their class role. The class conflict, of course, is by no means resolved. Governments have fallen; statified capitalism remains. One form of capitalism is being shunted aside; *political* revolutions are taking place. The *social* revolutions to end the underlying system of exploitation are yet to come.

We cannot chronicle the full record of Stalinism's breakdown — especially since it continues and deepens as we write. But we can analyze the programs created to deal with the crisis. We start with the most prominent programs for reform: first Polish Solidarity's “self-management,” then Mikhail Gorbachev's perestroika and glasnost. We then turn to the more drastic changes now being proposed in East Europe, which are still undergoing debate and change. Lastly we consider the necessary revolutionary program and those claiming the mantle of Marxism. The East European revolt provides a fitting conclusion to this book, since it puts to the test of practice the theoretical analyses we have been dealing with throughout.

SOLIDARITY AND THE MKS

The mass movement in Poland in 1980-81, where Stalinism's decade of collapse began, posed a head-on challenge to Stalinist power and raised the specter of proletarian revolution

1. For fuller analysis of these events see *Proletarian Revolution*, Nos. 33-36.

throughout the region. It illustrates both the workers' revolutionary capacity and their programmatic problems.

There had been eruptions in East Europe before: in the 1940's when the old bourgeois order ended; in the 1950's after Stalin's death, in Germany, Hungary and Poland; in the late 1960's and 1970's in Poland and Czechoslovakia, when the international crisis of capitalism made itself felt. In the late 1970's the ruling CPs tried to buy off the workers with consumer goods and industrial jobs by getting massive loans from the West. But a few years later, when their investments proved unprofitable and the debts had to be paid, the regimes turned to austerity. Poland was in the worst position, and the workers struck back.

After a two-month strike wave across the country, the Gdansk workers' occupations and general strike forced the regime to yield extraordinary concessions in August 1980. CP head Gierek was ousted, his government was forced to resign and its successor had to yield to the 21 demands of the Gdansk Interfactory Strike Committee (MKS). The MKS was a genuine central workers' council in the tradition of the Paris Commune of 1871, the Petrograd soviets of 1905 and 1917 and the German and Spanish workers' councils of 1919 and 1936. Workers from all enterprises in the region sent delegates, debated and adopted their program, and decided which enterprises and services in the city would run and which would not.²

The MKS's economic demands included equalizing the distribution of consumers' goods through rationing and abolishing nomenklatura privileges; maternity leave and child care; and special demands concerning retirement, pensions and housing allocation. There were political demands for freedom of speech and the press (including the dangerous demand for access to national television for the Church without similar guarantees for workers' organizations). There were trade union demands: the rights to strike and to organize unions independent of the state and ruling party. There were demands reflective of the Trotskyist Transitional Program (see below): the sliding scale of wages to counter inflation, workers' control of production and opening the books of enterprises to the workers.³

More important than the specific demands was the MKS itself, an instrument of dual power. The Stalinists knew that it was a threat to their class rule the longer it lasted and the deeper grew workers' consciousness of their own ability to run society. They could not deal with it by ordinary methods of promises and repression. That is why the regime was ready to yield to any concession, temporarily in its view, in order to get the MKS to vote itself out of existence.

The workers' only adequate response would have been to go further: to create a revolutionary proletarian party to contest for state power. It was a step backward to abandon the MKS in favor of a trade union, as was done through the Gdansk Accords. The union the workers formed, Solidarity, grew to national movement of 10 million workers and supporters, 80 percent of the workforce nationwide. But it was a major retreat politically, embodying illusion that an economic struggle, as opposed to a struggle for state power, was sufficient to win the workers' needs.

The Solidarity period was a Marxist textbook on the roles of the revolutionary and reactionary classes. On the one side, the workers fought as the tribune of the entire people for freedom and equality — a fulfillment of permanent revolution, despite their misguided and self-disarming rejection of their bosses' "socialist" terminology and their faith in the Church. The

2. The flavor of the debates was captured for Western readers in Bernard Guetta's reports in *Le Monde* (Paris). See *Socialist Voice* No. 10.

3. The complete set of demands, along with other programs, is in *Labour Focus on Eastern Europe*, Spring-Autumn 1980.

central role of the working class was established once again, since all the petty-bourgeois forces looked to the workers to solve their problems. The workers' movement opened the field to all political tendencies, inside and outside the working class. Some of Solidarity's middle-class supporters, notably the former Marxist Jacek Kuron, promoted a "self-limiting revolution" that would not challenge Stalinist rule. The Catholic Church took advantage of its social privileges and independence of the party to play a similar treacherous role. Both of these capitulatory forces were accepted as trusted advisers by the workers' leadership under Lech Walesa, who himself reflected the outlook of the petty-bourgeoisified sector of the working class, the labor aristocracy.

On the other side, the Stalinists joined in an unholy alliance with the Church as well as Western statesmen and businessmen to keep the movement within safe bounds. Despite assertions of enthusiasm for the workers' achievements, what they all wanted was moderation. For the fifteen months of Solidarity's legal existence, its leaders wavered in the face of the government's provocations and sheer inability to run the economy. The union demanded a share of power through a tripartite arrangement with the Church and party; the party hesitated and temporized, encouraging mass discouragement to build up against the incessant strikes and also allowing time for military preparations. In December 1981 the regime took advantage of Solidarity's disarray to smash the "counterrevolutionary" threat. Far better prepared than the alleged counter-revolutionaries, the military swept up the leadership and outlawed the union.⁴

"SELF-MANAGEMENT" PROPOSALS

Since its Congress in 1981, Solidarity has advocated an economic policy of "self-management" to solve the Polish crisis. The term had been used previously notably in Yugoslavia, but this time the program was advanced from within the working class, not just the bureaucracy. Self-management entails two things: independence of the individual enterprises so that the bosses are not directly beholden to the ruling party; and elected workplace councils representing the workers. The Polish regime put forward, and partially carried out, a similar policy under the same name, with a less independent role for the workers.

Within Solidarity there were two movements for self-management. One, the Network of Large-Scale Enterprises, was made up of factory delegates from hundreds of enterprises. The Network advocated a "Law on Social Enterprises" to be adopted by the Sejm, the Polish parliament. According to this proposal:

"The social enterprise manages its affairs in an autonomous fashion on the basis of an economic calculation. It is endowed with a juridical personality that embraces all its employees. The latter manages that portion of the national wealth which has been entrusted to them, and administers it through their self-management body. ... The entire body of self-management employees disposes of the property of the enterprise, lays down the general lines of its activity and development and decides on how profits should be redistributed."

The self-management council would exist separately but side-by-side with a trade union (preferably Solidarity, not the government-sponsored union). According to one sympathetic observer, "While the latter had the job of defending the interests of the workers as producers, the council represented the wishes of the personnel as employers."⁵ This would be a highly

4. For ongoing analyses see the *Socialist Voice* articles "Poland: Solidarity Forever?", No. 13 (1981); "Polish Workers Under Siege," No. 15 (1981); "How Solidarity Snatched Defeat from the Jaws of Victory," No. 16 (1982). The last refutes the regime's claims of counterrevolution.

5. Jean-Yves Potel, "Solidarity and Self-Management," *Labour Focus on Eastern Europe*, Summer

contradictory situation, especially since the independence of the enterprises as advocated would inevitably pit the workers of one factory against those of another in competition for markets and investment funds.

State planning would be mostly “indicative,” not compulsory. Just how the separate enterprises would be coordinated was not settled. Some advisers promoted a free market, others combinations of planning with the market. The regime denounced all such plans as “anarcho-syndicalist.” The Network replied that nothing decentralist or revolutionary was involved:

“We are accused of wanting to prevent society from influencing the definition of economic objectives and the means of attaining them, and to deprive the socialist state of any power in the running of the economy and the attainment of social objectives. ... However, our project has nothing to do with group property or with the idea of transforming Solidarity members into shareholders in the workplaces. ... We do not want to change the system, but we do want to go back to a working-class version of socialism. ... How could we accept the idea that the workforce of an enterprise should play a role analogous to that of a capitalist property owner? The Network’s project clearly declares that the enterprise must meet overall social objectives because it belongs to the whole people.”⁶

However, a proposal that stresses the autonomy of the separate enterprises is not “a working-class version of socialism” — and it inherently raises the idea that at least the self-management council of a firm (if not the workers as a whole) would operate like a capitalist property owner.

The reformist character of the proposal is also clear from another Network notion, that the self-management councils should be represented in the Sejm in a new chamber. Many saw this as a device for assuring the authorities that “we do not want to change the system,” a kind of power-sharing whereby the workers and the bosses would each have their separate houses of parliament. But the rulers understood that their power would be threatened by a separate economic chamber, especially one that was seen by workers as an independent institution of working-class state power. (Recall Trotsky’s comment about nationalized property as a tempting object for the proletariat.) As a reform demanded of the bureaucracy, this was doomed to be rejected.

Others in the Network regarded the parliamentary proposal as a call for dual power, an arrangement that would sooner or later undermine the bureaucrats’ control of the state. The current CP/Solidarity coalition might be taken as a close approximation of this idea, and the result has been to incorporate the “workers’ representatives” into the bosses’ state, not to give the workers a share of power. As Marx and Lenin long ago pointed out, workers’ power can only come into existence by smashing the ruling-class state apparatus, not by trying to nibble it away.

The second movement for workers’ self-management was known as the Lublin group. Their proposal was more radical than the Network’s in that it excluded management from the enterprise councils and also called for regional and national coordination of councils, including a permanent national organ of coordination. As well, the Lublin group expected to adopt self-management not through deals with the regime but by direct workers’ action. In the fall of 1981, workers in Lodz, one of the group’s strongholds, used “active strikes” (in which the workers stay on the job but distribute their products as they, not the bosses, decide) to compel local authorities to step aside. The Lodz workers succeeded in taking control over food distribution and the

1982.

6. Adam Swinarski, quoted in Zbigniew Kowalewski, “Debate over Workers’ Self-Management,” *Poland: The Fight for Workers’ Democracy* (1988).

rationing system. This was indeed an element of dual power.⁷

On the other hand, the Lublin group's "Ten Commandments for Workers' Councils" repeated the Network's notion of a second chamber of parliament. Their hope was that sharing the power would counter the state's ability to intervene in industrial disputes on the wrong side. But by trying to establish workers' power in the framework of the existing state the Lublin leftists also contributed to reformist illusions.

SELF-MANAGEMENT IN PRACTICE

On the eve of the Solidarity National Congress in September, the CP drafted a self-management bill of its own, based on the "three S's" (in Polish): enterprise autonomy, self-financing and self-management. The bill specified that the workers were to be "consulted" on appointments to management positions, but the power to decide would remain with the party. In response, the Solidarity Congress affirmed its acceptance of workers' self-management in reformist form. Its program read:

"Genuine workers' self-management will be the basis for a self-governing republic. The system which binds together political and economic power and is founded on continual interference of Party activists in the functioning of economic enterprises, is the main cause of the crisis in which our economy finds itself. It is also the cause of an absence of equality of opportunity in professional life. The Party 'nomenklatura' system makes any rational staffing policy impossible, and makes millions of non-Party personnel into second-class workers. Today, the only possible way of changing this situation is the creation of genuine workers' self-management councils, which would make each workforce into an authentic manager of the enterprise."⁸

The idea of "unbinding" political and economics is an impossibility that reflects illusions in the Western economies. The program again called for a second economic chamber of the Sejm, adding that parliament "should have the role of the highest authority in the land returned to it and, by changes in the law, regain a genuinely representational character." The proposal left the state apparatus intact — but by this time its specifics were secondary. Events — taken in hand, ironically, by the overlooked state apparatus — did not wait for the resolution of policy debates.

After the military coup, the regime kept denouncing the union's self-management ideas while at the same time espousing its own. Jaruzelski's plan was similar to programs already carried out in Yugoslavia, Hungary and China, involving material incentives and increased privatization of the economy at the small business level. This scheme demanded further dependence on foreign investments and loans, hence making Poland even more debt-dependent and a source of cheap-labor goods for the world market. So the unstated requirement was severe repression or a reserve army of the unemployed to keep wages low, serious wage cutbacks and higher consumer prices so the workers don't eat up what they produce.⁹ "Self-management" or not, this has been the story of Jaruzelski's Poland.

But the Stalinist regime could not hold its own against the economic crisis and the masses' non-cooperation. In 1989 the Solidarity leadership came to the rescue of the beleaguered Stalinists. After the party agreed to partly free elections and then lost them disastrously to a parliamentary group of Solidarity advisers, Walesa brokered a coalition government under a Solidarity prime minister, Tadeusz Mazowiecki. General Jaruzelski assumed the presidency, and

7. Zbigniew Kowalewski, "A Polish Petrograd," in *Poland: The Fight for Workers' Democracy* (1988). See also Timothy Garton Ash, *The Polish Revolution: Solidarity* (1983), p. 254.

8. Colin Barker and Kara Weber, *Solidarnosc: From Gdansk to Military Repression* (1982), p. 67.

9. See *Socialist Voice* No. 16 (1982), p. 8.

Stalinist ministers remained in charge of the army and police — people who will not flinch when it came to using armed force against workers.

The massive electoral defeat of the Stalinists was no real victory for the working class itself, although it reflected the continual class struggle. Walesa's faction of Solidarity, backed by the Church and Western authorities, took responsibility for holding back the workers' struggle in order to guarantee the state's economic interests. The Polish governmental bloc amounts to a classical popular front designed to save a hated and weakened ruling class from mass opposition. Most of the Solidarity parliamentarians have abandoned any idea of self-management and have turned to bourgeois liberal economic theories (many had had such views all along). That the "social democrats" as well accept the anti-worker program that the bloc promotes shows that the fundamental logic of "self-management" is not workers' control but enterprise independence. And from that base, a market free for exploitation is not a surprising conclusion.

One organization that still defends self-management is the Polish Socialist Party/Democratic Revolution (PPS/RD), which split from the social-democratic PPS in 1988. The PPS/RD supported the 1988 strikes when the PPS leaders opposed them, and it appealed for a boycott of the 1989 election because of the pre-arranged bloc between Solidarity and the CP. But despite its radicalism the PPS/RD lacks a revolutionary program. When the Jaruzelski/Mazowiecki regime was installed, the PPS/RD issued a statement warning that Solidarity in government "does not mean that the society has taken power" — but adding that "nevertheless, the establishment of this government opens up the possibility of realizing social aspirations." In this spirit the statement advocates such programs as "putting the economy under the direct control of the producers" and "setting up of social control over production exercised by self-managing councils of workers, agricultural workers and artisans organized in self-managing chambers regionally and nationally." The implication is that the new cabinet could be instrumental in carrying out such ideas. "Tadeusz Mazowiecki's government," the document says, should empower workers' food commissions created by Solidarity and "in agreement with Solidarity, must undertake a radical reform of the wage system."¹⁰

Such notions reveal great illusions in the intentions of a regime that was created to incorporate the working class into an austerity program. But that is again the logic of self-management. The problem is deepened by the fact that middle-class left-wing formations that have sprung up in the other post-Stalinist East European states are producing similar reform programs. The common theme is workers' self-management of the economy combined with a "democratic" state structure.¹¹ What is never proposed is a specifically *proletarian* state based on workers' organizations in power — the only guarantee of genuine mass democracy. On the other hand, the workers' impulsion to class struggle against super-exploitation will inevitably break them from the middle-class leaderships that lead to disaster.

THE NOVOSIBIRSK REPORT

Solidarity was suppressed in 1981 but its impact was widely felt. When Soviet chief Leonid Brezhnev died in 1982, he was replaced by a bureaucratic reformer, Yuri Andropov, who had to contemplate the image of a crisis-wracked USSR in the cracked mirror of Poland. And although Andropov himself died a year later after accomplishing little, his protégé Mikhail Gorbachev

10. "Declaration of the Wrocław Regional Workers' Committee of the PPS/RD," *International Viewpoint*, October 16, 1989.

11. See, for example, Boris Kagarlitsky's version in *International Socialism* No. 45 (1989), p. 104.

gained the top post in 1985 and set about on an earthshaking program of domestic and foreign policy reforms. These loosened the reins of power and paved the way for the explosions of 1989. What the working-class movement sowed it now has a chance to reap.

In order to understand the Gorbachev reforms, we turn to the secret “Novosibirsk Report” of 1983. Written by Academician Tatyana Zaslavskaya, a Soviet sociologist who has been one of the most consistent advocates of reform before and during the Gorbachev years, it was issued by a leading economics institute and leaked to the West. It provides a key theoretical foundation for perestroika. Because of its historical and theoretical importance we summarize its proposals and ideology.¹²

Zaslavskaya begins by denouncing the bureaucratic mismanagement rife in the Soviet system, even making her main point in apocalyptic Marxist language: “The present system of production relations has substantially fallen behind the level of development of the productive forces. Instead of enabling their accelerated development, it is becoming more and more of a brake on their progressive advancement.”

These words are a direct echo of Marx in the *Preface to the Critique of Political Economy*: “At a certain stage of their development, the material forces of production come into conflict with the existing relations of production ... within which they had been at work before. From forms of development of the forces of production these relations turn into their fetters. Then begins an epoch of social revolution.”

Zaslavskaya’s Marxism, however, is empty verbiage. She uses “relations of production” only in the narrow sense of personnel management relations — how to discipline the workers; in no way is she challenging the existing class relations. Thus she goes on: “One outcome ... is the inability of production relations to provide modes of conduct for the workers in the socioeconomic sphere that are needed by society.”

In the guise of blaming the system for the workers’ faults, Zaslavskaya’s purpose is to blame the workers for the system’s faults. She lists the problems: part-time effort, absenteeism, passivity and disinterest in work, alcoholism, even “stoppages” — in general, a lack of discipline. But from these ills she exonerates the elite of Soviet labor, “the main nucleus of skilled workers,” who “work honestly.” Clearly she believes that the great majority of Soviet workers are less than honest.

What she is really saying — and here of course she avoids using Marxist terminology — is that the underlying reason for Stalinism’s crisis is its inefficient exploitation of the working class. Zaslavskaya does not grasp or wish to acknowledge that the problems she lists are just manifestations of the class struggle, the day in and day out resistance that workers put up against the impositions of their bosses. Whether or not the bosses’ demands are made in the interest of efficiency, the workers fight back. It is not dishonesty that makes them do it, but capitalist relations.

Why should the situation be so bad? Why can’t the workers’ “dishonesty,” their lack of cooperation with the needs of the system, be controlled? Zaslavskaya recalls the old days under Stalin, when workers were disciplined not only by a strong police state but also by concealed economic pressures:

“Although formally speaking there was no unemployment in the country, in many areas and branches there were hidden structural labor surpluses. Fear of losing his job and difficulties in finding a domicile hampered the workers’ mobility and firmly bound him to the enterprise.

12. We use the English translation published in *Survey*, Spring 1984.

Migration of the rural population to the towns was limited by the inexistence of passports ... Therefore the main body of workers did not have a choice between work and leisure: the majority strove to work at full capacity.”

But now things are different. In an interview in *Izvestia* she explained:

“The overall level of well-being in the country has risen significantly. This has lessened the economic necessity of working hard in order to earn one’s living. Many people have the opportunity to choose: if they want to, they dedicate themselves to their work, and if they don’t want to their participation in social production is very limited.”¹³

But what is needed is not just more and better discipline, order, regulation and control — although the Novosibirsk report advocates all of these. The real situation is worse than simple malfeasance by the workers. Discipline as it has been applied, through orders from above, does not work. Central regulators are ignorant of specific, local conditions; arbitrary rules that obviously don’t apply are flouted both in letter and in spirit; the proliferation of contradictory rules gives malingerers the choice of which ones to obey.

Above all, it seems that the bosses also undermine the economic discipline needed by the system. Here Zaslavskaya is on treacherous ground. Whereas under capitalism, she argues, the conflict between productive forces and productive relations leads to an intensified class struggle; under socialism, on the other hand, there is nothing of the kind — yet things are pretty much the same. Citing the prevailing view “developed in political economy textbooks” that improvement of outmoded production relations can take place “without social conflict,” she responds carefully: “we must express doubt.”

“The process of perfecting production relations under socialism runs a more complicated course than is commonly suggested, to the extent that the reorganization of the existing system of production relations is given over to social groups that occupy a somewhat more elevated position within this system and accordingly are bound to it through personal interest.”

There are no privileged classes, of course, just a few groups in “a somewhat more elevated position within this system” — who have the power, moreover, to organize production in their own personal interest, and if necessary even prevent the “perfection” of the productive methods. The way to get around the obstacles created by self-interested bureaucrats, she says, and at the same time to enforce economic discipline on the workers, is to make discipline itself a matter of workers’ self-interest. It should be regulated not by distant officials but, on the one hand, by local managers whose individual interests will in theory coincide with the need to make their own enterprises work productively; and, on the other, by the central state planners who genuinely have the interests of all of “socialist society” at heart. The tools these layers are to be given are called “economic methods of management” or “incentives” — both carrots and sticks.

What Zaslavskaya proposed concretely was 1) to eliminate layers of intermediate bureaucrats in the ministries and departments (“which patently suffer from hypertrophy”), officials whose squabbling and interference get in the way of efficient planning and production; and 2) to set up forms of economic incentives for workers. In her *Izvestia* interview she spelled this out, again paraphrasing Marx:

“First of all, most of [the forms] are in full accord with the economic laws of socialism. That’s the most important thing. When things are organized efficiently, people receive remuneration according to their work. In the process, of course, pay differentiation increases, as a rule. But that is a direct and natural result of the rising labor productivity of active people.”

13. Zaslavskaya, *Izvestia*, June 1985; translated in *Current Digest of the Soviet Press*.

However, the formula “to each according to his work,” implied by Marx in his *Critique of the Gotha Program*, has nothing in common with increasing pay differentiation (see Chapter 3). It entailed the revolutionary abolition of classes, money, wages and the other remnants of capitalism. It described the distributive methods of the lower stage of communism, a classless society based on common ownership and collective production in which the ultimate of “bourgeois” equality would be achieved: if you work eight hours you receive goods equivalent to eight hours’ work, *without* differentiation.

In echoing Marx’s words Zaslavskaya was really echoing Stalin’s lying translation of the early 1930’s, when he tried to expunge the Bolshevik goal of reducing inequality. Under a labor-commodity system, the formula “to each according to his work” is an essential part of the law of value, a means for one class controlling another. The only thing “natural” about increasing pay differentiation is that it naturally occurs in capitalism, under whose economic laws workers are compelled to compete against one another. The virtue of Zaslavskaya’s report is that it reveals the class-based nature of the reform program — through a thinner layer of veils than we get from the reformist politicians themselves. The bureaucracy has to be streamlined in order to more effectively employ the law of value — for stricter discipline and deeper exploitation of the working class.

GORBACHEV’S PERESTROIKA

As it has developed over the years, Gorbachev’s economic restructuring is hardly a scientifically worked-out package. Nevertheless its general direction has been clear, along the lines drawn by Zaslavskaya. There has been obvious resistance within the bureaucracy — even within the Politburo, given the frequency of shake-ups at the top. In mid-1987 measures were announced that represent a victory for the radical wing of the restructuring spectrum; but by late 1989 the changes had been carried out in limited fashion only. We summarize its chief elements.

Most enterprises are no longer to be subject to directive planning but instead will have to meet profitability criteria. Abel Aganbegyan, Gorbachev’s adviser and an advocate of Western-style management techniques, said that “the state-controlled sector of the economy will be reduced from 60% of the total to 25%, leaving little but military production under central control.” As well, firms were promised financial autonomy and will therefore face an end to state subsidies and control; they will have legal freedom to trade in producer goods.¹⁴ Gorbachev spelled it out:

“The new economic mechanism means fundamental changes in the system of material and equipment supplies to factories — transition from centralized material and equipment supplies to wholesale trade in means of production goods. Factories should be able to buy with money they have earned anything they need for manufacturing, construction and modernization schemes, and social services.”¹⁵

This speech came at the Central Committee plenary meeting in June 1987. The major result of this session was a new law on state enterprises which formally strengthened the independence of firms as “juristic persons” (reminiscent of the U.S. legal system’s extension of Constitutional rights to corporations); they are no longer bound but now only guided” by the state plans:

“Guided by control figures, state orders, long-term scientifically substantiated economic

14. Aganbegyan, interviewed in *Le Monde*, June 28, 1987.

15. Gorbachev, *Moscow News Supplement*, July 12, 1987.

normatives and ceilings, as well as consumers' orders, the enterprise independently works out and confirms its own plans and concludes contracts. ... Enterprises operate in conditions of economic competition among themselves, a highly important form of socialist competition, for the fullest possible satisfaction of consumer demand for efficient, high-quality and competitive output with the smallest possible outlays. The enterprise which ensures the production and sale of the best output with the smallest possible costs obtains a large economic-accountability income and an advantage in its production and in pay for its employees."¹⁶

This reads as if Gorbachev and his allies were trying to make clear that state ownership is no barrier to operation according to capitalist principles. Of course, these measures represent not a return to law of value but a more direct application of it. The Gorbachev changes are intended to get the competitive drives to work more effectively. Proposing them is significant evidence of the rulers' intentions and needs — even though they have been very incompletely carried out.

A significant symbolic gesture was the rehabilitation of Nikolai Bukharin, executed in 1938 by Stalin as a criminal spy and wrecker of the economy. Bukharin's reputation is being resurrected in order to give historical legitimacy to NEP-like policies of encouraging individual incentives and perhaps individual farming. Bukharin's favoring of openings to the world market, in opposition to Stalin's national autarky, is also admired.

The USSR has indeed made changes in the sphere of foreign trade. It reduced its oil exports, crucial for obtaining Western currency, in order to avoid undercutting OPEC's oligopolistic but decreasingly effective price controls; it has offered to join GATT, the capitalist trading group; and has called for joint production arrangements with Western firms interested in operating in the USSR. Most startling was the announcement in 1986 that 20 ministries and 70 large industrial firms will soon have the right to trade directly with foreign firms — in effect cancelling the state-centralized monopoly of foreign trade. This partial opening is an attempt to force internal reforms upon the reluctant wings of the bureaucracy through foreign competition.

Gorbachev has dismissed hundreds of high-level officials, ranging from Brezhnev's cronies in the Politburo to party and state leaders of national, regional and local bodies. In theory he is carrying out the Novosibirsk plan of eliminating unnecessary and inefficient middle bureaucrats, in the interest of the national capital as opposed to localism and parochialism. But he has not targeted only the exalted. Zaslavskaya's incentive wage schemes have been officially promulgated as well, although it is too early to tell how deeply they can be carried out in the face of working-class opposition and resistance. According to the Soviet news agency Tass, echoing Zaslavskaya's Stalinistic distortion of Marx:

“The main aim is to enhance the entire pay system, to create a direct dependence between the amount and quality of work and pay, and to make the growth of pay dependent on the increase of labor productivity. The restructuring of the pay system is aimed at insuring that the wages of each person are strictly in accordance with the volume of his or her contribution to national wealth.”¹⁷

Gorbachev promised that the reforms will allow workers to increase wages to whatever they can earn; but this is a cover for introducing unemployment and inflation, leading to a *reduction* of the average worker's real wage. Along with the greater wage differentiation promised through perestroika comes the prospect of shutting down enterprises deemed to be

16. The Law on State Enterprises I,” *Izvestia*, July 1, 1987; translated in *Current Digest of the Soviet Press*.

17. *New York Times*, September 2, 1986.

unprofitable — although the arbitrariness of prices means that such a determination would be grossly inaccurate. In any case, Aganbegyan has proposed “restructuring” hundreds of obsolete firms out of business, and Prime Minister Ryzhkov announced that 13 percent of enterprises might be forced to close. Another economist predicted that 13 to 19 percent of all non-service jobs might be eliminated by the end of the century.¹⁸

Gorbachev and his allies do not wish to restore traditional capitalism or even to decentralize the economy in the interest of local bureaucrats or managers. On the contrary, their purpose is to weaken the ministerial satrapies in the interest of the national ruling class as a whole. Inefficient local managers will be made to modernize or get out of the way. The state will increasingly come to serve the particular interests of the strongest firms as most representative of the general interests of the ruling class. Indeed, the epochal trend toward economic concentration and centralization applies under Stalinist reformism: even though central administration is reduced the monopolies will still grow at the expense of their rivals.

As an example of an enterprise operating under the new reforms, consider the Nevsky Works in Leningrad which the author visited as part of a group of visiting economists and trade unionists in 1989. This machinery factory with 10,000 workers had been removed from ministerial control under perestroika, but it had quickly joined an association of 16 enterprises, Energomash, which now monopolizes Soviet production of oil pumping machinery. The director claimed that the association operates similarly to an American corporation. “We now produce our equipment to order, in contrast to before when we had to follow Gosplan’s orders. We deal directly with customer-enterprises; we have our own foreign trade firm and export-import operations.” A workers’ council elects the manager every five years; in addition, it has the right to control investments from the firm’s domestic sales, which it uses mainly for increasing housing and leisure facilities. But the firm’s foreign sales, which supply hard currency, are invested at management’s discretion, mainly in the expansion and modernization of productive equipment.

Despite occasional success stories, perestroika has not had a positive overall impact. In breaking the ministries’ monopoly of economic power, the center has created, in effect, independent economic statelets throughout the country. Republics and regions use the widespread shortages to reserve local output for themselves — a practice which only intensifies shortages. By the end of 1989 living standards had declined perceptibly, supplies of food and consumer goods were worsening, and as a result strikes, absenteeism and job turnovers were up. Published reports showed “a failure to meet targets in almost every major economic sector.”¹⁹ The systemic crisis that engendered perestroika has only been exacerbated.

PERESTROIKA AND GLASNOST

Efforts are being made to enlist sectors of the working class, the upper layers especially, behind the reforms — along with the already enthusiastic intelligentsia. This is a major purpose of glasnost, the growing series of reforms that first removed restrictions on public activity like writing, speaking and meeting — and then allowed partially free elections to a new governing body, the Supreme Soviet. These measures give the illusion of mass participation in decision-making and are designed to win the population to support perestroika by methods of persuasion rather than force.

Gorbachev is a master politician facing an unmasterable task. During the Soviet coal miners’

18. Vladimir Kostakov, quoted in the *Economist*, December 26, 1987.

19. *Financial Times*, January 26, 1990.

strike wave in July 1989, for example, he announced that the miners were acting on behalf of perestroika, and he took the opportunity to eliminate a few more reluctant bureaucrats — but he subsequently gave the game away by proposing a ban on strikes. He clearly needs to open safety valves in the face of the developing and inevitable austerity measures. Aganbegyan supplied the ideological justification:

“Perestroika is a difficult and painful process. Its success is determined by the socio-political climate of the society in which it occurs. ... Karl Marx wrote: ‘An idea becomes a material force when it takes hold of society.’ The idea of perestroika must come to grip society for perestroika to move into gear. But how can this transition to a new way of thinking and an understanding of new tasks be assured? Here the media of mass information are of inestimable help. Glasnost, truth, criticism and self-criticism are the instruments that will effectively prepare for the new consciousness.”²⁰

That the reformers regard a degree of openness as a necessary accompaniment to their economic proposals is a victory for Soviet workers. But it is still necessary to be on guard: perestroika is a tool of exploitation, and glasnost, as Aganbegyan says, is its instrument. Tragically, this is not clear even to non-bureaucratic Soviet leftists in the Federation of Socialist Clubs, whose founding manifesto asserts that “the life and death of socialism in the USSR hang on whether perestroika succeeds.”²¹ In this spirit, Boris Kagarlitsky, a leading figure in the Federation and the most widely cited and published Soviet leftist in the West, advocates a strategy of compromise with the reformers: “We don’t want to destabilize the situation ourselves. We want to be loyal to the Gorbachev experience insofar as it remains progressive and brings more democratization.”²² Such a strategy forgets that in reality it was the workers’ struggle that created Gorbachev, not the reverse.

Gorbachev is plainly eager to win greater legitimacy for the ruling party by establishing recognized links with the population. It is not just a matter of currying popular favor but also of institutionalizing the regime’s power through plebiscitary methods of mass approval. In this way he seeks to increase his own individual authority as Soviet president and that of leading local bureaucrats by placing them in top positions in the newly empowered parliamentary soviets. If he succeeds, he will have laid the basis for a new Soviet Bonapartism with the potential of whipping recalcitrant sectors of the populace, notably the mass of workers, into line.

Despite their quotations from Marx, Gorbachev and his aides have welcomed viciously anti-working class ideas from some theorists in order to combat workers’ resistance to the loss of hard-won gains. A leading and unusually frank liberal economist in the perestroika camp wrote:

“The real possibility of losing one’s job, of being shifted to a temporary unemployment subsidy, of being forced to move to a new place of employment is not at all bad medicine to cure sloth and drunkenness. Many experts believe it would be cheaper to pay unemployment compensation than to keep on loafers who can (and do) ruin any efforts to raise efficiency and quality.”²³

It goes without saying that the reformers who bemoan Soviet economic performance also glorify Western capitalism. Shmelev for one regards the economic pressures operating under traditional capitalism as “natural laws of economic life” and “motives for work that are natural to

20. Aganbegyan, *The Economic Challenge of Perestroika*, p. 31.

21. Cited by Alexander Cockburn, *The Nation*, December 12, 1987.

22. Kagarlitsky, interviewed in *International Viewpoint*, November 28, 1988.

23. Nikolai Shmelev, cited in the *Economist*, December 26, 1987.

the human being”²⁴ — ignoring the fact that humanity existed for centuries without the benefits of mass unemployment and enslavement to wages. Aganbegyan as well is said to think that Marx and Engels were overly idealistic in denying the bourgeois objection that “upon the abolition of private property all work will cease and universal laziness will overtake us.”²⁵

But as Marx and Engels understood, under capitalism those who work acquire nothing and those who acquire property do not work. The notion that every worker can just work harder in order to become a small property owner is the central petty-bourgeois illusion refuted by the historical development of capitalism itself, which destroys small property. Aside from the temporary promise of a few material goods, the only “incentive” capitalism offers to workers is the threat of starvation. On the other hand, under communism, when property has become genuinely classless and collective and the threat of scarcity is overcome, the incentive for work will not be “natural” starvation but the human need for individual and cooperative creativity and development. The fact that nothing of the sort ever occurs to people who are supposed to be formally trained in Marxism is a deep reflection of the anti-working class basis of Soviet society.

The cynicism of the intellectual bureaucrats is profound. In effect they are saying: We worked hard to create a productive, humane society and to educate the workers and peasants out of their brutish backwardness. But when they get a better life than under the Czar or Stalin, what happens? They get lazy, drunk and dishonest, and won’t do a day’s work for a day’s pay. They deserve the lash of capitalist methods to whip them into shape. The “Communist” intellectuals’ thinking is like that of pseudo-leftists in the Western intelligentsia, who also conclude that the masses have failed them and that communism is therefore utopian.

2. POST-STALINIST CAPITALISM

Compared with the economic reforms in other Stalinist countries, the Soviet project has taken a long time to prepare and shows minimal results. Gorbachev’s inability to achieve thoroughgoing “reform,” despite all his adroitness and publicity, is fundamentally due to the resistance of Soviet workers. Their egalitarianism is a distinct achievement of the 1917 revolution; it was an obstacle to the brutal Stalinist accumulation drives in the past and it blocks the more sophisticated Stalinism of today. That is, the real barrier for Gorbachev is not the party conservatives but the proletariat in the land of the defeated but not forgotten proletarian revolution. The egalitarian resistance is not a heritage of Stalinism, as some bourgeois observers claim, but a legacy of the fight against it, an echo of the working-class struggle against Stakhanovism in the 1930’s.

THE REFORMS ELSEWHERE

In the other Stalinist countries there is no direct revolutionary proletarian heritage. Nevertheless resistance there is growing as well, because of the stepped-up exploitation of the workers.

China after Mao’s death went farther and faster than Gorbachev’s Russia. Agriculture was quickly decollectivized and petty-bourgeois production encouraged in town and country, leading to a great income differentiation among the peasantry and an exodus of poor peasants to the

24. Shmelev, quoted by Daniel Ford in the *New Yorker*, March 28, 1988, p. 73.

25. Aganbegyan, quoted in Ford, p. 72; he is referring to the *Communist Manifesto*, Part II.

cities. Industrial managers were granted great leeway over wages and investment. The combined effect was to create sub-proletarians with no guaranteed job stability, forced to sell their labor at minuscule wages. This encouraged enthusiastic foreign investment.

Preserving super-exploitation, the only capitalist road available, was the main reason for the bureaucracy's massacre of unarmed workers and students in June 1989, to worldwide revulsion. The regime could not accede to demands for democracy, especially when expressed by growing numbers of workers and illegal independent workers' organizations. The workers were moved not just by a desire to vote or to support the protesting students, but by inflation, unemployment and poverty, all accelerated by the reforms. Deng & Co.'s dream of a new China, profiting on the world market and sharing the exploitation of its cheap labor, could not be realized in a state where workers had votes and a taste of their own power.²⁶

In East Europe likewise, open capitalistic methods have already been introduced but have not helped stem the crisis. Yugoslavia and Hungary have had the longest experience with reform; their free market policies have exacerbated social tensions and subjected their peoples to the austerity programs of the International Monetary Fund (IMF). In Yugoslavia, homeland of reformist Stalinism and "self-management," inflation reached over 1000 percent in mid-1989, unemployment hit 16 percent nationally and over 50 percent in some regions (not to speak of the 10 percent of workers employed as "guest workers" abroad). Hungary's temporary prosperity depended on a large per capita foreign debt and was highly uneven; it led to more available consumer goods but also greater inequality and a continuing decline in productivity. A report by the Hungarian trade unions' research institute summed up: "The rich ... are getting richer, the poor are getting poorer and the middle class is thinning out."

As a result of the failures of "market socialism" on top of the economic decay of Stalinism, even more far-reaching changes have been discussed and partly introduced. Since the overturns of late 1989, the CP's have been totally discredited, to the point where most have abandoned their party names and their countries' "socialist" or "people's" titles. New provisional governments have been installed to take advantage of the workers' hatred of Stalinism ("anything is better than this system") and subject them to "democratic" exploitation. Some of these regimes have simply dropped their pretensions to Marxism and socialism; others have openly announced their goals of establishing capitalism.

In Poland, draconian "reform" measures were introduced by the CP/Solidarity coalition government at the start of 1990, following the prescriptions of the IMF. Severe price hikes were combined with reduced subsidies for important consumer goods in order to drive wages down to bare subsistence. Unemployment will soar as state industries are shut. The Polish "experiment" is being watched in the other East European capitals and in Moscow, as well as by Western imperialists. Marxists have every reason to expect that the Polish workers will overcome their illusions in "free market" capitalism. As an editor of a Warsaw business magazine said, denouncing the workers' opposition to capitalism's so-called efficiency: "Our people hate Communism, but when you start talking about privatization, many of them act like Communists."²⁷

Whereas the Soviet reforms have not yet left the realm of Stalinist capitalism, in East Europe devolution is now accelerating at a breakneck pace. New bourgeois elements have sprung up, and alongside them state firms are being privatized through sales to foreign investors or their own managers. One feature of privatization, whether with bureaucratic or independent owners, is

26. See our analysis in *Proletarian Revolution* No. 34.

27. *New York Times*, November 30, 1989.

that the workers lose their limited trade-union rights.

An interesting example of the union of the two sectors of capital is the man who was minister of industry in the last Polish CP government in 1988-89, Mieczyslaw Wilczek. This gentleman is a millionaire private factory owner who, according to an admiring Western account, “lives in a ‘small house in the English style,’ with, as you would expect, swimming pool, tennis court and peacocks.”²⁸ Wilczek said: “We now recognize that Western countries have achieved high living standards using certain methods, and it is just a matter of coincidence that these methods are called capitalist.”

The self-buyout phenomenon is especially significant. Layers of the bureaucracy have found a way to keep their economic power even with the state yielding its commanding economic authority. In Poland and Hungary, managers have bought at bargain rates the factories they previously ran for the state. Since one category slides easily into the other, the bureaucrats and bourgeois are proving themselves elements of the same ruling class who exploit the same workers, even though they draw their compensation differently. The post-Stalinist ruling class is being reorganized to center not just on the bureaucracy and managers but on the big bourgeoisie as well.

THE FUTURE OF POST-STALINISM

The bureaucratic buyouts illustrate the weak, regent-like character of Stalinist stratified capitalism. Real though its property ownership has been, the bureaucracy’s lack of legal title to the means of production means that its power rested ultimately on the suppression of the working class. Now that the workers are in motion, the bureaucrats are fleeing to individual property titles, taking advantage of the workers’ illusions in democracy and private property. Keeping property out of the hands of the proletariat is what is sacrosanct to the bureaucrats — not state ownership.

The rulers’ overall solution, already being proposed in Hungary and Czechoslovakia, may be to approximate the situation of 1945-48, when the Stalinists ruled in collaboration with social democrats and bourgeois forces. At that time economic Stalinization had yet to reach full force: “mixed economies” were the rule. All-out nationalization of industry had to await the defeat of the workers, as we saw in Chapter 6. Only when the proletariat was finally crushed could the new CP rulers oust the weak bourgeoisie and exploit the workers solely on their own account.

The Stalinists today are deepening their interpenetration with the rising bourgeois elements to form hybrid regimes. They hope that this will lead to something like the social-democratic societies in the West: mixed state and private economies dominated by private capital, with a strong welfare component to pacify the workers and to socialize the costs of maintaining critical but backward firms. Given the economic crises of the East, of course, such a future is out of the question. There is little fat to be distributed and no basis to believe that the rulers will soon find any.

That leaves the East European rulers few options. They are hopeful of obtaining Western economic aid and political support. All the East European rulers have in effect suggested subordinating their countries to imperialism; it will eventually be the strategy for the USSR too. Through both privatization and further decentralization, enterprises in the East will be made hospitable to capitalist intervention and control. But with the postwar boom long over, the West will look carefully at the risk of even larger Eastern debts and restive working classes before

28. *Economist*, December 3, 1988.

signing on.

Meanwhile the mass upsurges have brought to the fore intellectuals and middle-class democrats, comparable to the popular-front combinations of intellectuals, technicians and politicians in the West; they share power with the nomenklaturists and the few private capitalists. The combination of market reforms and pseudo-democracy is unlikely to fool the workers for long. Sooner or later the bureaucrats and their middle-class allies will have to change their line from democracy to discipline. As upheavals intensify and social revolution threatens, the “democrats” will turn increasingly to Bonapartist methods in order to shield the state and private capitalists from the masses. They will have to end the emerging workers’ institutions, legal and illegal, and crush the daily resistance to intensified exploitation. Their most workable solution is not democracy but strong-man rule.

One portent of the rulers’ future direction is the simmering of national chauvinism and even fascism. In the USSR, the Russian fascist organization Pamyat, openly hostile to the October revolution, has been nurtured by Stalinist bureaucrats. It defends one-party rule and state property and opposes Gorbachev’s liberalization and workers’ strikes. The heritage of state promotion of capitalism under the Czars is one link between the nationalists and reactionary Stalinists; another is the populist, even “socialist,” rhetoric adopted by fascism.

In East Germany, nationalism and racism have been used to promote unification with West Germany — in reality a form of semi-colonial subordination. Ultra-nationalist anti-Jewish forces are also growing in Poland, among Stalinists and anti-Stalinist clerical elements. There have also been vicious chauvinist incidents in Bulgaria and Yugoslavia. In Romania they were temporarily avoided by the universality of hatred for the old regime.

The fuel for the flames of chauvinism is not mystical “ancient prejudices,” as the Western press explains, but material conditions — scarcity, poverty, repression — and the consequent search for scapegoats in the absence of Marxist understanding. Capitalism with its inherent nationalism and inequality fans the flames; the middle-class reformists demanding more capitalism add fuel to the fire. Unless overcome by working-class movements, the burgeoning nationalisms that momentarily express the liberation of countries from Stalinism will be transformed to subordinate the masses to capital. A positive sign is that the Soviet coal strike in 1989 extended across the USSR; the miners rejected attempts to divide them along national lines. In general, the key factor is that the workers’ movement has not been beaten down by a succession of massive defeats like that suffered under Nazism and the rise of Stalinism in the postwar years.

Gorbachev and his backers have already taken steps to make Bonapartism possible. His reforms are not all democratic even in appearance. He has centralized party leadership and the state presidency in his own hands, and he has been granted extensive individual powers to bypass state and party structures. There are proposals for a new, more powerful “executive presidency.” In Poland, the great democrat Walesa also has advocated a major abrogation of democratic rights: when the Sejm was debating the IMF’s austerity measures, he asked that the Solidarity-CP coalition be given wide powers to promulgate its “reforms” by decree, in order to overcome opposition from the working class. In other countries where the CPs have more or less collapsed, the military may be the alternative which the post-Stalinist ruling class looks to for “stability.”

We stress that the Bonapartist trend is toward political, not economic, centralization. It is not designed to restore the days of old under Stalin (which, as we have seen, already meant *de facto* decentralization of production despite political dictatorship) but to unleash the full force of the

law of value against the working class. A reversion to Stalinism is not possible until the workers are defeated, that is, until fascism triumphs.

REFORMS AND THE NATURE OF STALINISM

The changes in the Eastern bloc add to our understanding of permanent revolution applied to Stalinist society. Recall Trotsky's point that the bourgeoisie hesitates to make its own revolution in the epoch of capitalist decay for two reasons: 1) the interpenetration of bourgeois property with pre-capitalist property forms, including the close ties and family relations between the bourgeoisie and old landowners; 2) the fear of stimulating the working masses in revolutionary periods; an attack on one form of property would be "too tempting" for the masses in motion and would endanger all private property. We have since seen that the Stalinists, too, feared to challenge bourgeois property except when the working class had been smashed or otherwise removed from the political arena.

A parallel concern is now evident among the Western bourgeoisie. It encourages privatization and joint ownership in the Stalinist countries, but it is now clearly interested more in preserving social stability than in abolishing nationalized property. After the Bush-Gorbachev summit in Malta in late 1989, the U.S. emphasized discouraging both the centrifugal nationalist movements in the USSR (despite ritualistic words for the Baltic "captive nations") and the radical pro-capitalist politicians in Moscow. Overtures were made to military leaders across the region who could serve as stabilizing forces. The most notorious move was Bush's diplomatic concessions to the Chinese rulers, in the face of raw public memories of the Beijing massacre. All the Western rulers endorsed Gorbachev's military invasion of Azerbaijan, even though it was clearly meant not to save lives but to prevent national self-determination. And Bush's arms control proposals envisioned the Soviets' keeping two hundred thousand troops in East Europe (with a similar number of U.S. forces in the West) — against the clear wishes of the popular movements he supposedly respects.

The reasons for these accommodations are first, that the West is increasingly interpenetrated with the Eastern bloc and China — not via direct ownership (although that is growing), but in trade, contracts and joint investment projects. Above all, undermining state property in the East would threaten property in general. The bourgeoisie is still frightened of the working classes in revolutionary periods — even in the homelands of its Stalinist "mortal enemy." The mass revolt brought the rival ruling classes together and further demonstrated the common interest in exploitation that in the final analysis transcends their national and property-form differences.

The collapse of Stalinism illuminates the debate over the nature of the system. First, the economic breakdown and the rulers' obvious loss of confidence in their "socialism" raise the question: how can this system be socially progressive in comparison with capitalism? If it is a fundamentally different system it is clearly retrograde. Defensists will not be able to defend their "socialist" or "workers'" states for very long.

Secondly, the eagerness of the state apparatus to adopt open capitalism places the question of "capitalist restoration" on the agenda, as most workers' state theorists are warning. Indeed, if the post-Stalinist rulers have their way, the establishment of open bourgeois relations without a civil war cannot be precluded. When this happens it would establish not that capitalism has peacefully been restored but that the system has been fundamentally capitalist all along.

The workers' state theorists have a serious problem: when and how do they decide that workers' states no longer exist? The post-World War II Trotskyists' criteria for a workers' state were central planning and the state monopoly of foreign trade — plus, of course, state property in the

means of production. Of these, the first two have been abandoned across East Europe, while state property remains an increasingly hollow form without a shred of proletarian content. The inability of enterprises to buy and sell factories and producers' goods has been another justification for denying the capitalist nature of Stalinist economy; now that too is disappearing as state property becomes increasingly decentralized and privatized.

We really do not expect the orthodoxist rationalizers to be able to offer any criteria. After all, their ancestors in the 1940's did not recognize the "social revolutions" that created "workers' states" until years after the alleged fact. One key problem is that the overthrow of a workers' state requires the workers' defeat in a civil war between the new ruling class and the proletariat. As we showed in Chapter 4, there was such a war in the Soviet Union in 1936-39; Trotsky called it a "preventive civil war," although he did not recognize its capitalist-restorationist conclusion. If a state becomes capitalist without a civil war, can it really have been non-capitalist to begin with? By the same token, in the one country where there was a violent if brief civil war in 1989, Romania, defensists ought to have sided with the last-ditch defenders of nationalized property. Unfortunately that meant the Ceausescu dynasty and the murderous Securitate. The understandable refusal of leftists to sign up only shows that their common sense belies their inadequate theory.

Mandel, unlike more left-wing defensists, rejects the possibility of capitalist restoration by the ruling bureaucracy. Some in the nomenklatura, chiefly the industrial managers, might be able to transform themselves into private capitalists, he says, but not the army of bureaucrats in its entirety.²⁹ What he overlooks is that many of these lower officials would keep their state posts in the coming transformation (which would not return to the 19th century by eliminating the bulk of the state apparatus); others would indeed be defeated in the tumultuous upheavals that are taking place. Above all it is the hybrid nature of the new regimes and systems that he ignores. His refusal to see the bureaucracy as exploiters of the proletariat makes him deny the changes actually occurring.

The disintegration of Stalinist rule has produced one new line of reasoning by workers' state theorists. We take a version by the United Secretariat during the Polish struggle of 1981:

"The Polish events confirm that the bureaucracy in power in the bureaucratized workers' states is not a new ruling class. There is no common measure between the resistance that the bourgeoisie is capable of putting up against the rise of socialist revolution in capitalist countries as deeply industrialized as Poland, and the extreme weakness which the Polish bureaucracy has exhibited faced with the rise of the mass movement."³⁰

This is a poor argument. The characteristic of a revolutionary situation is that even a strong ruling class becomes weak. When Stalinism was confident of its power it was perfectly capable of smashing workers' uprisings, as in the USSR in the late 1930's and in East Europe in the 1940's. Conversely, witness the feebleness of the Russian bourgeoisie in 1917. There is a great deal of "common measure" between Kerensky in 1917 and Jaruzelski in 1981. The difference is that the latter took advantage of the workers' reformist leadership and found the police strength to put down the movement when it wavered. Today the post-Stalinist ruling classes will do the same, backed by both Western and Soviet imperialism, if the workers fail to find their revolutionary course. The claim that the system has no alien ruling class because Stalinism has disintegrated paves the way for supporting the new reformers as the heralds of genuine

29. Mandel, *International Viewpoint*, October 30, 1989.

30. Resolution published in *Intercontinental Press*, December 21, 1981.

revolution.

The very possibility of a transformation toward traditional capitalism destroys the deformed workers' state theory. It also refutes Cliff's "state capitalism." Cliff in fact has long held that there is no possibility for internal forces to restore individual capitalism.³¹ Theoretically this forecast was false from the start, as we have explained; practically it has been plainly disproved. Cliff's position, parallel to Mandel's, follows logically from his conception that Stalinism's class relations are different from those of capitalism. It again shows the underlying similarity of all the theories that fundamentally describe "third systems."

The changing reality also annihilates the open third-system theories. If Stalinism were really a new mode of production, it would have lasted more than half a century without collapsing into capitalism. More specifically, the latest events refute Shachtman's explanation (common to many third-systemists, conscious or not) that the bureaucracy owns the means of production because it runs the state.³² Today the bureaucrats are abandoning control of their states while tightening their hold on property. This establishes beyond question that the bureaucracy's ownership of the means of production is what makes it the ruling class, not the other way around.

The theoretical significance of the 1989 upsurges is that they have brought out the possibility of hybrid bureaucratic/bourgeois regimes. We show in the next section that the refusal to recognize this alternative leads directly to a reformist stance toward the post-Stalinist states.

3. PROGRAM FOR REVOLUTION

Revolutionaries are interested in theory not for its own sake. Marxism is a guide to action, and the aim of theoretical work is programmatic conclusions. As the *Communist Manifesto* says, "The Communists are distinguished from other working-class parties by this only: 1. In the national struggles of the proletarians of the different countries, they point out and bring to the fore the common interests of the entire proletariat, independent of all nationality. 2. In the various stages of development which the struggle of the proletariat against the bourgeoisie has to pass through, they always and everywhere represent the interests of the movement as a whole."

Under the present circumstances the question of the revolutionary program that addresses "the interests of the movement as a whole" under Stalinism is of great urgency. Our work is based on Trotsky's Transitional Program of the 1930's, the first major programmatic document to deal with the problem. It needs updating both because of the immense historical changes since that time and the theoretical errors in Trotsky's analysis of Stalinism. The mass struggles of the proletariat against Stalinist rule are an inspiration for and a test of all programmatic proposals.

SOCIAL VS. POLITICAL REVOLUTION

In the 1939-40 struggle in the American Socialist Workers Party, Trotsky challenged Shachtman: "Let us concede for the moment that the bureaucracy is a new 'class' and that the present regime in the USSR is a special system of class exploitation. What new political

31. "Before the experience of World War II, it was an understandable if incorrect assumption that private capitalism could be restored in Russia without its occupation by an imperialist power. But the victory of the concentrated, statified Russian economy over the German war machine silenced all talk of such a possibility." (*Russia: A Marxist Analysis*, p. 141; *State Capitalism in Russia*, p. 326.)

32. Shachtman, *The Bureaucratic Revolution*, p. 44.

conclusions follow for us from these definitions?”³³

We do not know whether the Shachtmanites replied directly. In practice their program for the Stalinist states was democracy, little different from that of today’s “orthodox” Pabloites despite superficially counterposed analyses. Our answer to Trotsky’s challenge begins, of course, not from Shachtman’s position that Stalinism is a new system of class exploitation but that it is an old one, capitalism, bearing the scars of its destruction of the short-lived workers’ state.

Trotsky, first of all, saw the need to overthrow the ruling bureaucracy of the Soviet Union through a political revolution. Today we call for a revolution that is social and not just political: it has to destroy the Stalinist state and its apparatus, not just reform it. Although our program goes beyond Trotsky’s, we use the method inherent in the Transitional Program. Here is how Trotsky described the political revolution:

“In order better to understand the character of the present [1936] Soviet Union, let us ... assume first that the Soviet bureaucracy is overthrown by a revolutionary policy having all the attributes of the old Bolshevism, enriched moreover by the world experience of the recent period. Such a party would begin with the restoration of democracy in the trade unions and the soviets. It would be able to, and would have to, restore freedom of soviet parties. Together with the masses, and at their head, it would carry out a ruthless purgation of the state apparatus. It would abolish ranks and decorations, all kinds of privileges, and would limit inequality in the payment of labor to the life necessities of the economy and the state apparatus. It would give the youth free opportunity to think independently, learn, criticize and grow. It would introduce profound changes in the distribution of the national income in correspondence with the interests and will of the worker and peasant masses. But so far as concerns property relations, the new power would not have to resort to revolutionary measures. It would retain and further develop the experiment of the planned economy. After the political revolution — that is, the deposing of the bureaucracy — the proletariat would have to introduce in the economy a series of very important reforms, but not another social revolution.”³⁴

Today to call for a political revolution makes little sense. The only way to achieve a *proletarian* revolution — the establishment of genuine workers’ rule over the state — is now through *social* revolution. A proletarian revolution would have to not just regenerate the workers’ soviets but re-create them — as class-based organs of the proletariat, they were gutted by the Stalinist counterrevolution and officially abolished under the Constitution of 1936. Calling for their regeneration cannot now awaken a living heritage within the Soviet working class as it still could in the 1930’s — and it strikes no chord at all in the other Stalinist states. Moreover, Gorbachev’s reformists have re-established the Supreme Soviet as a parliament; “restoring democracy” in this ruling-class body is not at all what Trotsky meant by his proposal.

The revolution would also need to smash the officer corps and the secret police, which have nothing in common with the Bolshevik Red Army finally destroyed in the purges of 1937-38. (In East Europe the old secret police are already under attack from below.) As Lenin wrote in a polemic against Kautsky, “The point is whether the old state machine (connected by thousands of threads with the bourgeoisie and completely saturated with routine and inertia) shall remain, or be *destroyed* and superseded by a new one.”³⁵ With “bourgeoisie” replaced by “bureaucracy,” this is exactly the question facing the proletariats under Stalinist or post-Stalinist rule today.

33. Trotsky, “The USSR in War,” *In Defense of Marxism*, p. 4.

34. Trotsky, *The Revolution Betrayed*, pp. 252-3.

35. Lenin, *The State and Revolution*, Chapter 6.

Nationalized property in the Stalinist states has become a shell concealing an anarchic, unplanned structure. Today we can see plainly that a new proletarian revolution would face the task of transforming the economy. A centralized, planned economy has to be created from the start — not “retained and further developed” (or even “drastically changed,” as the Transitional Program says). The reforms proposed and carried out by the bureaucrats show that even the vestigial workers’ gains embodied in the state property forms are already on the verge of destruction. The only way to save or recover them is to overthrow the state that defends nationalized property only to the extent that it can be used against the workers. That Polish workers have had to strike to protest the government’s privatization of the Gdansk shipyards confirms the Marxist understanding that nationalized property is inherently a proletarian form, not an inherent interest of the bureaucracy.

The final proof that a workers’ “political revolution” is not on the order of the day has been the movement of the workers themselves in four decades of class struggle against Stalinism. They have fought to create new institutions, independent of the ruling bureaucrats, not to reorganize the old ones. Sometimes these new institutions have been genuine proletarian ones: soviets. But always their actions point to smashing the state apparatus, not reforming or even purging it. They have risen up against exploitation at the point of production, not just against inequalities in distribution; it has been a revolt against the law of value. Unfortunately the programs of their leaders have not matched the workers’ actions.

The task of Marxists is to demonstrate that the necessary program is for a *workers’ state*, the alternative both to the bosses’ reforms and reformist self-management. Trotsky devoted much effort to elaborating programmatic methods to win masses of working people to the revolutionary cause through a direct connection with their experience. His Transitional Program of 1938 is built around a system of transitional demands “stemming from today’s conditions and from today’s consciousness of wide layers of the working class and unalterably leading to one final conclusion: the conquest of power by the proletariat.”³⁶

TRANSITIONAL DEMANDS

We outline how the method of the Transitional Program applies to the class struggle in the pseudo-socialist countries. We do so to show what the advanced workers, the embryo of a revolutionary party, can do on the tactical level to build their party. This problem is rarely addressed. On the one hand, Cliff and his followers deny the applicability of transitional methods to capitalism in general. On the other, workers’ state theorists see no need to apply demands written for capitalist states to the Soviet-model countries. Our approach is to show that transitional demands raised by Trotsky for bourgeois countries are applicable to present-day Stalinism. Other demands in the Transitional Program are omitted here, not because they do not apply to the Stalinist world but only because their application would be in all fundamentals the same as under traditional capitalism.

Because of the inflation that is wracking the Soviet bloc, the demand for a *sliding scale of wages* is critical; it was raised by the Polish workers in their spring 1988 strike wave. It means that labor agreements should include an automatic, proportional rise in wages with respect to

36. This quotation comes from “The Death Agony of Capitalism and the Tasks of the Fourth International,” the full name of the Transitional Program. The only edition widely available in the United States is in the SWP’s book, *The Transitional Program for Socialist Revolution*, whose title is very misleading. Although the Transitional Program is indeed designed to bring about the socialist revolution, it is not “the program for socialist revolution.” See our article “Myth and Reality of the Transitional Program,” *Socialist Voice* No. 8 (1979).

prices of consumer goods. Since official statistics on prices are suspect, all the more so in Stalinist countries where statistics are often treated as state secrets, prices have to be monitored by local committees of unionists and unemployed working-class people.

The “reform” programs in the Stalinist countries reawaken the need to defend the interests of workers in enterprises that are scheduled to be shut down for lack of profits. The Transitional Program raises a series of demands for such situations. One is the *sliding scale of hours*: to end unemployment, all the necessary work would be divided among the available workers in accordance with a standard workweek, the average wage of every worker remaining the same. In the Stalinist countries the hours of women workers have notoriously been lengthened by the “double burden” of wage and domestic labor. To solve this problem requires at least the construction of facilities for the *socialization of housework*.

The Program also advocates “opening the books” of the corporations through the slogan of *workers’ control*. This term might better be understood as “workers’ supervision,” since it does not refer to workers’ replacing the bosses in the management of enterprises. In Trotsky’s words,

“The immediate tasks of workers’ control should be to explain the debits and credits of society, beginning with individual business undertakings; to determine the actual share of the national income appropriated by individual capitalists and by the exploiters as a whole; to expose the behind-the-scenes deals and swindles of banks and trusts; finally, to reveal to all members of society that unconscionable squandering of human labor which is the result of capitalist anarchy and the naked pursuit of profits.”³⁷

Anarchy and unconscionable squandering are certainly no less under Stalinism. Is there any reason why this analysis would not apply to the Polish government’s shutdown of the Gdansk shipyards? The fact that the Stalinist rulers cannot continue to produce needed ships (they are sold mainly to the USSR) proves again that their economy is governed not by use value but by ordinary, crass, value. The decision to shut down the Gdansk shipyards was opposed through strike action by the workers whose jobs were at stake — and they demanded opening the books! The workers were perfectly right to seize on a demand from the Transitional Program, consciously or not. The Transitional Program expresses the logic of the workers’ struggle — under capitalism of every form.

As under traditional capitalism, some enterprises will willingly bare their financial souls and “prove” to the masses that they are indeed operating at a loss and must therefore shut down — whatever the cost to their employees. That requires investigating not just individual enterprises but the economy as a whole. Trotsky therefore added:

“The workers cannot and do not wish to accommodate the level of their living conditions to the exigencies of individual capitalists, themselves victims of their own regime. The task is one of reorganizing the whole system of production and distribution on a more dignified and workable basis. If the abolition of business secrets is a necessary condition to workers’ control, then control is the first step along the road to a socialist guidance of the economy.”

That is, workers’ control is a demand transitional to workers’ power in a workers’ state. However, the Soviet bosses like those in the West may be forced to shut down operations. So the Transitional Program continues:

“The socialist program of expropriation, i.e., of political overthrow of the bourgeoisie and liquidation of its economic domination, should in no case during the present transitional period hinder us from advancing, when the occasion warrants, the demand for the expropriation of

37. Trotsky, *The Transitional Program* ..., p. 120.

several key branches of industry vital for national existence, or of the most parasitic group of the bourgeoisie.”³⁸

The aim of the *expropriation of key industries* demand is to force the ruling class as a whole, through its state, to take responsibility for the well-being of its working people — despite the inconvenience for profits this may entail, or the disruption of capitalist equilibrium. There is no contradiction in demanding expropriation by a bourgeois state, as long as revolutionaries openly explain to our fellow workers that this is no lasting solution, and that the demand and its fulfillment are linked with preparing the proletariat for revolution.

In the case of the Stalinist countries the equivalent of the expropriation demand is to call for removing enterprises from the hands of their local bureaucratic managers and make them the direct responsibility of the state. Such a call places the responsibility for social needs on the ruling class as a whole through its state, and exposes the state’s unwillingness and inability to accept this duty. This implies as well canceling the requirement that individual enterprises be run along strict profitability criteria. It also may mean re-equipping factories with up-to-date machinery to continue production. As for the major state industries privatized by the reformist Stalinists and their allies, it means re-nationalization through expropriation without compensation. Further, the fictional structure of costs must be overhauled through close working-class supervision so that much more accurate values of every commodity can be calculated.

In sum, whenever the state demands that workers’ sacrifice for the national good, it is proper for workers to demand that they see the books and have the right to control whatever measures the regime takes. The workers’ direct intervention into economic management is an excellent exposure of the true operation of a class society, an incitement to fight for their own workers’ state, and a preparation for running it.

In the common case where an enterprise is producing wasteful or dangerous products, it makes little sense to continue operations unchanged. Further transitional demands should be raised — for example, to reemploy workers in rebuilding obsolete enterprises rather than leave them jobless. In a similar context Trotsky called for *public works*. (Under stratified capitalism, of course, almost all works are “public.”)

“Public works can have a continuous and progressive significance for society ... only when they are made part of a general plan, worked out to cover a considerable number of years. Within the framework of this plan, the workers would demand resumption, as public utilities, of work in private businesses closed as a result of the crisis. Workers’ control in such cases would be replaced by direct workers’ management.”³⁹

This reasoning leads to the demand for *workers’ management* of enterprises that the ruling bureaucracy proves unable to operate effectively. It is one way to counter the anticipated objection from many workers that expropriation of industry is too reminiscent of returning the economy back to the way it was under pre-reformist bureaucratic rule. Workers’ management, however, cannot be interpreted as the autonomous functioning of factories envisioned by “self-management” schemes (and certainly not as the “team concept” and other arrangements advocated by capitalist bosses to make workers take part in their own exploitation). Workers’ management in our sense only works in the context of society-wide decision-making by the central workers’ councils, combined with total control of each enterprise by the workers.

It is also necessary to come to grips with workers’ illusions that the methods of Western

38. Trotsky, *The Transitional Program* ..., p. 122.

39. Trotsky, *The Transitional Program* ..., p. 121.

bosses are to be desired because anything is better than Stalinist management. To this end it will be necessary to raise demands covering workers in the growing number of private shops and enterprises. For example, workers have hesitated to leave jobs in the state sector for fear of losing their pension, housing and other rights attached to the specific job or ministry. A ***national program for pensions, housing, etc.*** would apply to workers in both state and private industries, and would allow them to move without hindrance, should they choose, between jobs in either sector.

These economic demands all point to economic centralization, not the decentralization raised by the democrats. Without them there will be working-class people lacking jobs, wages or leisure. There is no other way to guarantee true democracy, whereby every worker has the time and resources to engage in political life.

WORKERS' SOVIETS

The question of ***soviets*** has particular force in the Gorbachev period, especially because the current rubber-stamp soviets are being revived as decision-making bodies. The original revolutionary soviets of 1905 and 1917 were councils of delegates from every stratum of working-class life, reflecting all the struggles of the class; the Stalinist counterrevolution replaced them with fictitiously democratic parliamentary bodies.

Now Gorbachev and his allies see the need to incorporate the working masses, to allow them a say in deciding how to come up with the required economic sacrifices. In fact the slogan "All power to the soviets," an echo of 1917, has gained wide appeal because of its democratic ring: it symbolizes an end to the arbitrary power of the ruling Communist Party. But the revived official soviets have nothing in common with 1917, or the Gdansk MKS. They are at best arenas for debates between factions of the ruling class, with an occasional voice of opposition allowed as a safety valve.

Soviet workers can take advantage of the openings provided by Gorbachev by raising the call for genuine soviets (workers' councils), soviet congresses and a permanent central soviet. This is a demand not on the ruling bureaucrats but on the workers' leaders. It would present to the working class the need for its political and organizational independence from the rulers. It would also expose the fraudulence both of Gorbachev's democratization and of the localist self-management schemes.

The workers of East Europe have begun the formation of independent trade unions (as distinct from the government unions under Stalinism). But unions are no substitute for workers' councils that take up all questions vital to the working class, political as well as economic. Unfortunately the workers so far have acted *en masse* but not as a working class. Decades of Stalinism have convinced many that politics is a sphere fit only for opportunists and the corrupt. Economic conditions will undoubtedly force them, however, into mass strike activity. Demands for ***strike committees*** to run ***general strikes*** against austerity will help workers in struggle organize themselves as a class and become aware of the conflicting class interests of the middle-class leaders.

In addition to the coal miners who began the building of genuine soviets in action in 1989, other Soviet workers have raised the demand for workers' soviets. An interesting example is the letter by a group of Soviet workers from the Urals already mentioned in Chapter 5:

"The local bureaucrats [are] opponents of the revolutionary renewal, in whose hands, unfortunately, the real political power rests. This is a treacherous class of exploiters of the toilers which uses as a cover that which is most sacred to the working class — Marxism — and passes itself off as the true representatives of the party of the working class, of Soviet power, of the

people; and against them one must fight skillfully with our own arms. Of course, after this deception of the workers, unprecedented in the history of humanity, it will take a certain amount of time for the course of democracy and glasnost to yield fruit: the dictatorship of the working class, its full power through its own institutions — the soviets, in their Leninist understanding.”⁴⁰

One of the remaining gains of the 1917 revolution is that some Soviet workers still know Lenin as the revolutionist he was rather than the icon the “bureaucratic bourgeoisie” has made of him. Judging from this excerpt, these workers seem to trust Gorbachev’s glasnost and “revolutionary renewal” and to think that only the *local* bureaucrats form an alien capitalist class. If so, these are errors they will have to learn to correct. Their overall lack of illusions will be of immense value in doing so.

The inherent tendency of proletarian soviets is to drive for state power, as in 1917. A state ruled by such soviets would give the workers a predominant representation — even above their proportion of the population, in states where the proletariat is still a minority. Such a structure was incorporated in the first Soviet constitutions and was formally abolished by Stalin in the 1930’s. It is a violation of pure (bourgeois) democracy but is necessary because the proletarian dictatorship is a higher goal and the only way to achieve the most fundamental democratic tasks.

Under the conditions created by the 1989 revolutions in East Europe, the posing of a genuine workers’ state through the empowerment of workers’ soviets is necessary to counter the democratic appeal of the various post-Stalinist governments that have been erected by the reformists. In the meantime a critical slogan is ***no support to the provisional governments***; they are instruments of the ruling class for reconsolidating its own power.

The Soviet miners’ strikes brought to the fore another key slogan from the Transitional Program: the formation of ***workers’ militias***. During the strikes workers patrolled the streets of the mining towns, and the regular police practically disappeared. As so often happens in times of revolutionary action by the masses, “criminality sharply diminished.” As in Gdansk in 1980, there was a sharp reduction in alcohol consumption, even a prohibition against it.⁴¹ Clearly this display of muscle and control by the workers helped dissuade the regime to bring in the armed forces to stop the strike. The further development of organized and armed detachments of workers to defend their strikes and sit-ins would be a signal of recognition that the states’ armed forces are not the workers and, as Trotsky put it, an “imperative concomitant element to [the proletariat’s] struggle for liberation.”

It is critical to win the support of the peasants. Therefore in specific countries Marxists will call for a ***workers’ and farmers’ government*** in the workers’ state. Demanding the division of the land by the peasants may also be necessary in some countries. In others, worker-peasant control over genuinely collectivized agricultural units would be possible. In Poland, where the Stalinist regime allowed small-peasant farming to predominate, the newly unleashed capitalist markets will wipe out many peasant holdings. Giant corporate farms aided by Western imperialist financing will increasingly dominate. Revolutionaries must defend the dispossessed peasants lest they remain tied to reactionaries like Cardinal Glemp and become tools of a fascist revival.

INTERNATIONALISM

40. *Socialist Register* 1989, p. 126. We note also that some Russian nationalist “Workers’ United Fronts” with demands for workers’ soviets have been formed by bureaucrats to counter national minority movements and entrap workers.

41. Information from Bernard Guetta’s reports in *Le Monde*, July 18, 1989 and surrounding days.

An important demand not in the original Transitional Program is to *renounce the debts* owed to imperialist banks and governments. The Eastern bloc countries, just as much as those of Latin America, Asia and Africa, are subject not only to the imperialist world market in general but also the direct supervision of imperialist institutions like the IMF, because of their massive debts. The Bolsheviks repudiated the debts of the Czars, and a revolutionary workers' state today would do likewise with the obligations of their former exploiters. That principle does not exclude subsequent diplomatic agreements to pay the debts in whole or in part in return for concessions by the imperialists (if dire emergency requires).

Debt renunciation means defying capitalist principles and their imperialist enforcers. The depth of the economic crisis in the Stalinist countries and the misery of the working people shows that such action is necessary for economic survival. It would also help resolve workers' illusions in the beneficence of the West. An avalanche could be loosed if a workers' movement stood up to its rulers and demanded that the bloodsucking payments cease. That would ignite explosions throughout Eastern Europe (and Latin America), and governments' hands would be forced. The result would be to disrupt the bourgeois world economy and inspire anti-capitalist actions everywhere.

Such a step would in reality only be carried out by genuine workers' states, but it must still be demanded of Stalinist and third-world nationalist governments. The Jaruzelskis will never repudiate their debts in principle (they will do so only if broke); that would mean attacking the principle of property. It would threaten their national capitalist base in state property just as much as the private property of the West. (For the same reasons the Western powers hesitate to press for denationalization in the East except slowly and under controlled conditions.) The spectacle of "socialist" states lining up at the bank to hand over cash sweated out of their workers is a standing insult to the memory of the October revolution.

The debt question, together with the supra-nationality of the crisis of Stalinism, necessitates a further demand: *federations of socialist states*. A similar demand, the "socialist united states of Europe," was raised by Trotsky and other revolutionists during the First World War; it was initially supported but later opposed by Lenin on the grounds that it seemed to call for holding back national revolutions in order to await a simultaneous Europe-wide upheaval.⁴² Today, however, national revolutions are held back by the fear that they will remain isolated. On the other hand, the existence of simultaneous crises and simultaneous struggles in East Europe, although at different levels of intensity and consciousness, calls for an internationally coordinated movement and system of demands. There is also every reason to expect the crisis to intensify in the West, and sooner or later the level of class struggle; this will also have the beneficial internationalist effect of puncturing illusions among workers of the East. Naturally German workers must be assured that a unified German workers' state is theirs to choose under a socialist federation.

To counter the poisons of racism and great-power nationalism, communists demand all *rights for immigrant workers* and *self-determination for all oppressed nationalities*. And to end the great-power threat that overshadows the Eastern revolutions, it is necessary also to *abolish the Warsaw Pact* and *remove Soviet troops* from East Europe and the non-Russian republics in the USSR. Even though they may be seen as a benevolent presence because of illusions in Gorbachev, these occupying armies will be used to crush workers' movements against the provisional governments, in the interests of Western imperialism as well as of the local ruling

42. Lenin, "On the Slogan for a United States of Europe," *Collected Works*, Vol. 21, p. 342.

classes. A campaign for these demands would help puncture illusions in the West as well. (Likewise Western revolutionists must demand the abolition of NATO and the removal of all U.S. troops from Europe — which would also undermine the Warsaw Pact and the Soviet forces.) As Trotskyists called for an independent Soviet Ukraine in the 1930's, today we stand for *independent workers' republics* united in a socialist federation.

There are other key demands besides those appropriate for a transitional program, which we will not elaborate here. For years, the democratic aspirations of workers, intellectuals, women and oppressed nations have been crushed. The proletarian revolution stands for the liberation of all the oppressed and is the only way to win it. *Freedom for all parties* of the working class and oppressed peoples, the *right to organize unions, free speech* — all the democratic demands are part of the revolutionary program as well. If they are not taken up by revolutionaries and the working class as a whole, the democratic slogans will be detoured demagogically into props for the stabilization of capitalist regimes.

In the course of the East European revolutions of 1989 it became clear that particular strategic demands were crucial: “no support to the provisional governments” and “end the Warsaw Pact.” Without them revolutionists cannot fight the rulers’ attempt to corral the masses into support for capitalism and *de facto* alliances with imperialism. With them workers can see that their allies in the West are those fighting to end NATO, not the ruling classes seeking ways to preserve it. The powers of both East and West would prefer to see Soviet troops ready to suppress any sign of “instability” — that is, independent working-class uprisings.

The intensifying movement for mass empowerment throughout the East China makes much more of Trotsky’s Transitional Program applicable directly or in closely parallel forms. In raising these demands it is irrelevant whether the system can afford to grant them. Trotsky noted: “If capitalism is incapable of satisfying the demands inevitably arising from the calamities generated by itself, then let it perish. ‘Realizability’ or ‘unrealizability’ is in the given instance a question of the relationship of forces, which can be decided only by the struggle. By means of this struggle, no matter what its immediate practical successes may be, the workers will best come to understand the necessity of liquidating capitalist slavery.”⁴³

The worsening conditions and decisive struggles facing the workers of the Eastern bloc make this revolutionary program all the more urgent. The absolutely necessary condition for the victory of the working classes over capitalism, war and barbarism is the building of revolutionary proletarian parties throughout the region. As Trotsky wrote, “the present crisis in human culture is the crisis in the proletarian leadership.” How right he was! Today there is not yet a visible alternative to the middle-class dominated left and the right-wing populists appealing to the working class. Nor is there an internationalist pole of attraction against the flames of nationalism. The solution can only be the re-creation of the world party of socialist revolution, the Fourth International.

DEMOCRACY VS. REVOLUTION

To clarify the revolutionary program under Stalinism we contrast it with the programmatic views of the Mandel and Cliff tendencies. Mandel’s writings on the subject cover many years and illustrate his commitment to reformism in the guise of “political revolution.” First, in a particularly explicit example he comments on the problems faced by bureaucratic reformers who favor restoring market mechanisms in order to modify the Stalinist model of planning:

43. Trotsky, *The Transitional Program* ..., p. 116.

“As soon as the problem is seen from the standpoint of an efficiently functioning socialist workers’ democracy, the dilemma in which the majority of the ‘reformers’ in the East and their apologists in the West are trapped ... is vitiated at its base. From the point of view of the mass of workers, sacrifices imposed by bureaucratic arbitrariness are neither more nor less ‘acceptable’ than sacrifices imposed by the blind mechanisms of the market. These represent only two different forms of the same alienation. Even when certain sacrifices are objectively inevitable, they lose their bitterest edge only when they are the result of free debate and majority vote, that is, when they are freely consented to *by the proletariat as a whole*.

“The real answer to this false dilemma then is neither overcentralized and overdetailed planning on the Stalin model, nor too flexible, too decentralized planning along the lines of the new Yugoslav system, but democratic-centralist planning under a new national congress of workers’ councils made up in its large majority of real workers. (This should be assured by setting a maximum income for the great majority of the members of this congress so as to prevent the workers’ councils from being essentially represented by bureaucrats.) This congress would choose among different planning variants and the majority of its debates would be public and with an opposition present. The planning authorities would be strictly subordinated to it.”⁴⁴

Mandel situates himself here as a critical adviser to reforming bureaucrats, not as a class enemy dedicated to overthrowing their state. His argument exposes the true meaning of “democracy” — even when embellished as “workers’ democracy.” Why are workers’ congresses a good idea? Because they sweeten the sacrifices the rulers demand of the workers; they give the workers the opportunity to “freely consent” — to what the rulers have already decided for them, as always happens in mass democracy in class society. Like Shachtman and all liberal capitalists (and in contrast to reactionary national capitalists, including “hard-line” Stalinists), Mandel understands that an economy works more efficiently if workers are given a say in production and feel that they have a stake in the system.

Mandel’s program mimics the bureaucrats’ goal of a socially engineered society; he adds a left twist only to incorporate the workers. He accepts the “objective inevitability” of sacrifices, whether required by the market or by the planners; he merely suggests that they not be imposed but obligingly voted for. Like his plan for structurally reforming traditional capitalism (Chapter 6), this program is identical in spirit to Bernstein’s anti-revolutionary revisionism. There is no reason why a liberal follower of Gorbachev could not adopt Mandel’s teachings.

Significantly, Mandel explicitly permits the bureaucracy’s continued existence; he only advises that it operate behind the scenes. Distorting Marx, who learned from the Paris Commune that officials must be paid no more than skilled workers, Mandel prescribes an unspecified maximum income for the congress *majority* only, leaving the minority of officials represented with their bureaucratic power and privileges intact. Rejecting Trotsky, who advocated expelling the bureaucrats from the workers’ soviets, Mandel allows them to stay. This was not a minor point for Trotsky; it is meant to ensure that the councils would be working-class organs independent of the bureaucrats.

There is another serious qualification to Mandel’s “democracy.” Not only would a fraction of the congress be non-workers, not only would they not have their incomes held to the workers’ maximum, but only “the *majority* of its debates would be public and have an opposition present”! That is, the bureaucratic minority plus its supporting layer of aristocratic workers

44. Mandel, “Economics of the Transition Period,” in Mandel, ed., *Fifty Years of World Revolution* (1968), pp. 285-6.

would be allowed to exclude the opposition from crucial decisions.

Note finally that Mandel observes that the sacrifices demanded by market and bureaucracy “represent only two different forms of the same alienation.” Although alienation of the laboring classes is a general phenomenon of class society, working-class alienation is specific to capitalism. It arises along with the existence of private property held separate from the proletariat; it is a product of the capitalist form of exploitation that “frees” the worker from the means of production. Rather than seeing alienation coming from a capitalist production process, Mandel ignores the significance of his own observation in order to advance a democratic program.

The general propositions advanced by Mandel in the past are brought to fruition in his recommendations for Gorbachev’s USSR. Taking up the revived soviets, for example, Mandel writes:

“Real Socialist democracy, real exercise of political power by the working masses, genuine soviet power are incompatible with the single-party regime. The soviets will become sovereign and real organs of ‘popular power’ only when they are freely elected, only when they are free to decide on political strategy and political alternatives. All of this presupposes the existence of as recognized legal opposition It also presupposes the right of workers and peasants freely to elect those whom they wish to elect ... without the party, not to speak of the KGB, having the right to veto candidates.”⁴⁵

Mandel ignores the reality that Gorbachev’s soviets are parliamentary bodies for the privileged classes, not workers’ organizations of struggle. By stressing the legalities of democracy, he in effect promotes “structural reforms” (Chapter 7) and denies the need for revolution. His absurd method even assumes that real workers’ power would allow the continued existence of the KGB, the Stalinist secret police!

Similar programs have come from Mandel’s United Secretariat in practice. During the Polish upheaval of 1980-81 it maintained a line of uncritical support for the reformist Walesa leadership. But we will look most closely at its recipes for the Chinese movement in the revolutionary spring of 1989. To start, the Hong Kong journal *October Review* wrote:

“Political revolution means the overthrow of this parasitic bureaucracy, the abolition of its privileges, and its replacement with true people’s power — meaning the working class, small peasants, independent traders, and the honest rank-and-file elements of the party.”⁴⁶

But if the “political revolution” means power to a multi-class melange of workers, peasants, petty-bourgeois and “honest” party officials, then it has little to do with *proletarian* revolution. Workers’ power requires not an abstract democracy for all classes but a state built on political privileges for the working class. In China above all, where the peasantry is still 80 percent of the population, a classless democracy — “people’s power” — would give electoral domination to the petty bourgeoisie. And real power would rest in the hands of the bureaucratic capitalists.

The Hong Kong-based Chinese Revolutionary Communist Party had the same line: “We call on the people of all classes to form a self-governing organization against the bureaucratic suppression and to seize political power for the advancement of socialism in China.”⁴⁷ This conscious avoidance of *workers’* revolution comes right after urging the workers to form committees for a national general strike. A general strike was necessary as a defensive action and a step toward increasing workers’ consciousness of their strength and capacity to run society.

45. Mandel, *Beyond Perestroika* (1989), p. 82.

46. *Socialist Action*, July 1989.

47. “Letter to All Citizens of China,” May 21; *Bulletin in Defense of Marxism*, July-August 1989.

But to call on workers to simply strike and on “people of all classes” to take political power is a recipe for using the working class as a battering ram for non-proletarian social forces.

In the same spirit, the Mandelites’ own statement called for “the replacement of the bureaucratic regime by revolutionary democratic institutions, designed to guarantee the self-organization of the masses and democratic planning of the economy” — with no concrete mention of the need for revolution or of seizing state power. The slogan “Down with the bureaucratic dictatorship!” and the call for “replacement” of the bureaucratic regime were vague enough to be acceptable to party reformers.⁴⁸

Further confusion was added by the “Letter to Members of the Chinese Communist Party” written by the Chinese Revolutionary Communist Party: “We call on all CCP members who are real fighters for communism to resign from the CCP, to join in the people’s struggle, to assist in the organization of the people, and in this way to build a new political party which will lead China toward the advancement of socialism.”⁴⁹ Here not only are the workers forgotten but members of the ruling party are called upon to lead the way. (And not just toward socialism but toward its “advancement,” as if socialism already exists.)

The United Secretariat also backhandedly supported the various provisional governments in East Europe by tailing oppositional bodies (the Polish PPS/RD, the East German United Left, the Left Alternatives in Hungary and Czechoslovakia) which, however critical of the post-Stalinist regimes, refuse to openly oppose the provisional governments.⁵⁰ Like the Stalinists whose economy produces no goods to offer rebellious workers, the pseudo-Trotskyist loyal oppositionists have but one suggestion: Let Them Eat Democracy.

It has always been true that the notion of deformed workers’ states has nothing to do with the real working class, either as the maker of the revolution or as the ruler of the state. Now that these regimes are foundering and the question of what replaces them is immediately on the agenda, the “orthodox” conception of a political revolution is also in question. For Trotsky it was intended to overthrow the bureaucracy and transform the degenerated workers’ state into a genuine one. But today the “antibureaucratic revolution” turns out to mean no revolution at all but a replacement of bureaucrats at the top by new ones with a greater popular mandate. All that is demanded to overcome bureaucratic degeneration is a democratic reform — whether the workers achieve power or not.

The theory of permanent revolution says that proletarian socialist revolution is the only way to carry out the democratic tasks left undone by the ruling class. It is profoundly suggestive that this theory, designed for capitalist and pre-capitalist societies, should apply perfectly well to the “post-capitalist” regimes — and should be so blatantly overlooked by the orthodoxists. “Post-capitalism” isn’t so “post” after all.

RANK AND FILISM VS. REVOLUTION

The Cliffite International Socialists’ strategy against Stalinism, based on its rank and filist method (Chapter 7), is oriented towards backward consciousness within the working class. As with the Mandelites, the Polish workers’ movement of 1980-81 posed a programmatic test.

There was a crucial juncture in the fall of 1981, when Poland was on the edge of economic collapse and a giant strike wave was under way. Walesa searched desperately for a

48. *International Viewpoint*, June 26.

49. *Bulletin in Defense of Marxism*, July-August, 1989.

50. For a sample, see *International Viewpoint*, December 11, 1989.

compromising way out. The British SWP warned that the masses might look to the ruling party for a strong-man regime, and countered with a proposal for the “radicals” in Solidarity: “The alternative ... is for the radicals to start pressing for the structure of direct workers’ delegates that makes up Solidarity to take over the running of society.” The delegates could then adopt an urgent program to stop the drain of resources to the bureaucrats, Moscow, and Western bankers. However, local control was no answer; more was needed:

“[The program] could not be implemented without a complete transformation of society. At the local level it would require the most thorough-going struggle for what the Solidarity radicals call ‘self-management’ — in each plant and office, the workers would have to seize power and impose tight controls on the operations of all levels of management. But it would also require something that the radicals have hardly spoken of yet — a struggle at the national level, to overturn the hierarchies of control in the police, the army and ministries, replacing them with direct representatives of the workers organizations.”⁵¹

This agenda accepts the radicals’ leadership and their notions of “self-management,” not their illusions in a second house of parliament or market regulation of the economy. But, typically, the IS’s “revolutionary program” suggests that the crucial revolutionary measures can be *added, not counterposed*, to the petty-bourgeois decentralization notions of Solidarity.

None of the radical leaders took a clear stand in favor of replacing the Stalinist regime with working class power. For that matter, they didn’t even stand for replacing the Walesa leadership at the head of the workers’ own Solidarity. The only way to consolidate a solid revolutionary current would have been to sharply distinguish the revolutionary proletarian program from the radicals’. If indeed some of the radical leaders had revolutionary potential, a principled fight would have been the only way to win them from their decentralist illusions — as opposed to an appeal based on those very illusions. The Cliffites failed this task because they themselves conceive of the revolutionary party as an organizational network uniting separate struggles rather than a political alternative challenging all existing leaderships of the working class. This method would subsequently guide them to endorsing workers’ leaderships far to the right of the 1981 Solidarity radicals.

In the late 1980’s the IS tendency, like the Mandelites, applauded the revival of the Polish Socialist Party as “a major victory for the left.”⁵² The Cliffites recognized that “the PPS does not see itself as a revolutionary party, but as a reborn Polish social democratic party.” Indeed, initial documents of the PPS identified with the pro-bourgeois Second International and noted that “the social teachings of the Catholic Church, and above all the teaching of John Paul II, are closer to us than Marxism.”⁵³ The PPS also endorsed the economic proposals of the regime as well as Solidarity’s self-management.

The IS justified its support by citing the PPS’s devotion to class struggle and the existence of its left wing, which cohabited as a centrist faction within a predominantly social-democratic body before breaking away. The IS’s uncritical attraction to “rank-and-file” leaderships led it to endorse an openly reformist development and then a centrist one, a policy having nothing in common with building a revolutionary party that “always and everywhere represents the interests of the movement as a whole.”

The IS’s distorted version of the revolutionary party is a left version of Mandel’s centrism.

51. Chris Harman, *Socialist Review*, November 15, 1981.

52. “Poland: The Left Emerges,” *Socialist Worker Review*, June 1988.

53. “Political Statement of the PPS,” *International Viewpoint*, March 21, 1988.

They appeal not directly to reformist bureaucrats as do the grosser Pabloites, but indirectly, through the rank and file workers under their influence. As with the Pabloites, the Cliffites' accommodation to reformism in the East is a reflection of their policy at home. In Britain the SWP condemns the reformist Benns and Scargills for not going far enough — but does not counterpose an alternative.⁵⁴ A genuine revolutionary party has to be able to campaign relentlessly for a political line sharply challenging the reformist leaders.

Perhaps the most egregious instance of the IS tendency's capitulation to reformism through non-confrontation is its attitude towards the Solidarity/CP coalition government in Poland. When the Mazowiecki cabinet was already in office so that there could be no doubt of the Solidarity leaders' class-collaborationist character, the SWP wrote:

“The Solidarity leaders are attempting to do deals with the Communist Party, but this can only make their old enemies stronger. In the process they have called for a strike moratorium which will weaken the working class. Solidarity should be trying to strengthen factory organization in order to build a real power base.”⁵⁵

The last thing any proletarian Marxist could want is for Walesa, Kuron & Co. to have deeper base in the working class. The workers already have too much faith in parliamentary Solidarity, or at least too much willingness to give the new government the benefit of the doubt. It is not just the Solidarity leaders' deals with the CP that are betrayals, as the SWP suggests, but their own reformist program. For communists, the necessary strategy must be to separate Solidarity's base from its leaders. Imagine Lenin calling on the Mensheviks to strengthen their factory base!

As if to prove that this backhanded endorsement of the middle-class opponents of Stalinism was no fluke, the IS adopted the same attitude in Czechoslovakia, where the opposition was not even linked to the working class as in Poland. They called on the opposition to “win the loyalty of workers” and to “press its advantage” by deepening its links with the workers.⁵⁶ Just as this was published, the same Civic Forum entered the government, promoting the familiar package of Thatcher/Reaganite “reforms” to force the workers to sacrifice further. To find an analogy to this piece of advice you have to imagine Lenin urging the bourgeois Cadets to build their base in the proletariat.

Thus IS finds itself not just enthusing over workers' militancy but now formulating strategy for the non-Stalinist partners in the new provisional governments — all capitalist regimes. This conclusion is a logical if not inevitable consequence of rank and filism: tail the masses, no matter what political illusions they may have. It also follows from Cliff's theory that no internal change is possible under Stalinism. Since restoration of private capitalism is ruled out and since workers there have nothing to defend, any challenge to the existing system is good as long as it goes far enough.

IN CONCLUSION

The bourgeois politicians and pundits who are crowing about the downfall of Marxism will sooner or later have to eat their words. Victorious mass struggles are the best teachers of the true nature of class society, and the crises that triggered revolutions in the East are inevitable as well in the West. There remains the question of revolutionary leadership.

Mandel's and Cliff's are not the only tendencies to defend pseudo-democratic provisional

54. See *Proletarian Revolution* No. 22 for a critique of the SWP's strategy during the great miners' strike of 1984-85.

55. Andy Zebrowski, *Socialist Worker Review*, September 1989.

56. *Socialist Worker* (U.S.), December 1989.

governments. Judging from their records, it is safe to say that few of the present left leaderships will have the capacity to counter opportunism and the dedication to the proletariat that it takes to stand firm.

A useful analogy presents itself. Few Bolshevik leaders in 1917 could resist supporting the class-collaborationist Provisional Government; it took a fight by Lenin and his allies, along with the workers' struggle, to set the party straight. In Lenin's place the opportunists would have tailored the Bolshevik line to fit the Martovs and Kautskys; the sharp demarcation, the absolutely necessary hostility, between reform and revolution would have been buried. Without it the fighting workers would have been left to follow well-meaning but treacherous vacillators — and the Russian revolution would have been drowned in blood.

It will take a similar fight to defeat the misleaders and win potential proletarian communists today. All the would-be revolutionary tendencies in the working class are being tested, under revolutionary conditions in countries where the working class is the majority of the population. The crucial demarcation is the class independence of the proletariat, the refusal to drown working-class interests in the swamp of United Lefts, Left Alternatives and Democratic Revolutions. Those who cannot choose the side of the workers against all their enemies and false friends — those who still see salvation in the petty pressures of the market, the benevolence of liberal democrats or the dedication of concerned intellectual planners — will find themselves on the wrong side of the barricades.

As we pointed out in the Introduction, middle-class “Marxist” theories boil down to the idea that the day of the proletariat is ended. New people, uncorrupted by the heritage of capitalism, have to lead the way to liberation and even socialism. The enlightened middle class provides the revolutionary consciousness that socialism requires; the working class is simply the battering ram for social change. Today, as the revolution against Stalinism unfolds, middle-class elements are brazenly asserting their right to dominate. The central task for Marxists everywhere is to assist the working classes (and individuals from the middle classes who break from radicalism and learn to see the world from the proletarian vantage point) in creating their own independent organizations and leaderships.

The masses of the East are going through fundamental transformations in their lives and world views. As “The Internationale” proclaims, the Earth is rising on new foundations. Human creativity is being reborn in the factories and mines, the squares and streets of the East. The producers will be soon forced to battle their new rulers. Before long they will also create the leadership they need — a internationalist vanguard party dedicated to authentic communism. Theirs will be the new battle-cry of our epoch: “The old ‘Marxism’ is dead! Long live Marxism!”