

COMMUNIST REVIEW 92

LEARNING TO PLAN: REVISITING THE SOVIET EXPERIMENT



Learning to plan: Revisiting the Soviet Experiment

CP Chandrasekhar

Pasokification: Social Democracy in Crisis

Pierre Marshall

Economics and Suicide

C Ritchie

HM Athens: Greeks bearing gifts

Michael Roberts

Reviews Martin Levy Tony Briscoe

Soul Food Mike Quille

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*Image above, cover and page 2 images are reproductions of
original Soviet posters extolling socialist planning*



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MARTIN LEVY

EDITORIAL

12 June 2019

In *CR91* I remarked that there was only a slim chance that Britain would be out of the EU by the time the journal edition reached readers' hands. And, although the Brexit deadline has been extended to October 31, there is no guarantee that it will happen by then, if at all - even with Boris Johnson as prime minister.

The ruling class may have succeeded in delaying Brexit, but it remains in serious crisis. Its main Parliamentary representative, the Tory Party, is seriously split and is being outflanked by the Brexit Party. Theresa May's failure to secure a Parliamentary majority for her 'deal' meant that she had to go as prime minister; but it seems unlikely that any new Tory successor would be able to get a revised deal through the Westminster Parliament.

In the first place, there is the arithmetic, although it's possible that some Tory 'remainer' MPs may have become so frightened by the local and European Parliamentary results, that they'll now vote for Brexit at any price. But, secondly, the EU Commission has made it clear that there will be no renegotiation of the withdrawal agreement - and indeed, why should they agree to that, given that they want to make an example of Britain, to prevent other countries from leaving? If the new Tory PM, most likely Boris Johnson, is indeed prepared to countenance leaving without a deal, *ie* on World Trade Organisation terms, then the outcome may depend on who blinks first, and how much ruling class pressure there is on the Government to avoid such an outcome.

Politically, it would be a big risk for the new PM to push that brinkmanship through. On the one hand, he might have to prorogue Parliament to prevent it blocking a no-deal exit. That would be a serious attack on our democracy. And on the other, there will almost certainly be some temporary trade disruption, as even Johnson has made clear.

Nonetheless, there are dangers for Labour here too. Its nuanced position, of seeking a customs union with the EU, and supporting a referendum on any withdrawal deal if a general election cannot be called, certainly lost it votes in the recent local and European elections. It could be punished further, on a tide of anti-EU populism, if Brexit goes ahead without actually causing any serious long-term disruption.

But there's a more serious underlying matter. While Brexit dominates the political discourse, the effects of Tory austerity policies go largely unchallenged. The labour and trade union movement's failure to champion a democratic, progressive nationalism - popular sovereignty - has left the door open for the advance of non-class and reactionary nationalisms, which are diversions from the class struggle.

The only way now for Labour to recoup its electoral losses is to come out fighting hard on the basic issues affecting working people's daily lives - including low pay, the destruction of manufacturing industry, the privatisation of the NHS, the closure of council services, and the vicious Universal Credit system. Unfortunately there is still an elephant in Labour's room - the likelihood of many of its progressive economic policies being blocked if Britain remains in the EU or in a customs union with it.

Despite the siren calls from many right-wing Labour MPs, it is clear that there is no room in the political middle. In the recent elections Change UK got completely flattened, and has fractured since then. And one just has to look at the experience of social-democratic parties abroad - as Pierre Marshall does in his article here on *pasokification* - to recognise that Labour would likely suffer a mortal wound, were it to move to the 'centre' (*ie* still neoliberal) ground.

Tory austerity policies have already cost some 130,000 lives, and there is a significant link between austerity and mental illness. In his article here on 'Economics and Suicide', C Ritchie draws on writings from Marx onwards, pointing out that "attempted suicides by disability benefit claimants more than doubled after the introduction of the fit-to-work assessment, and Universal Credit is linked to increased suicide risk."

What sort of economic policies would an incoming left-led government need to implement? At the recent Historical Materialism conference in Athens, there was a lively debate about the causes of economic crises in the 21st century. In his blog presented here, Michael Roberts defends Marx's thesis about the tendency of the rate of profit to fall. Consequently, he argues that capital controls, public banks and a national investment bank are insufficient; and that what is needed is taking control of the economy "so that we can plan production and investment and reduce the power of the market and the law of value."

The idea, that planned socialist economies don't work, is one of the myths which has been propagated since the demise of the USSR. In our feature article in this edition of *CR*, CP Chandrasekhar reviews the Soviet Union's experience and explains the pressures which led to choices at different stages of development. Planning did work well overall: but, after decades of sacrifices, and the terrible loss of life in WW2, the Soviet population needed to be offered more rapid increases in their standard of living. Errors were then made in attacking the central planning system and instituting market mechanisms.

We round off this issue with two book reviews, a letter to the editor, and the ever-excellent *Soul Food*.

CP CHANDRASEKHAR LEARNING TO PLAN: REVISITING THE SOVIET EXPERIMENT



КОЛИЧЕСТВО СВЕЛЛОСУШИЛОН

1928 год	1933 год
100%	100%

СРЕДНЯЯ ПРОДОЛЖИТЕЛЬНОСТЬ ПРОИЗВОДСТВА В СУТНАХ НА СЫРОМ СВЕКЛЕ

1928 год	1933 год
100%	100%

Производительность труда и массы на одного рабочего

1928 год	1933 год
100%	100%

Потери сахара при производстве

1928 год

100%	100%
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1933 год

100%	100%
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Количество действующих заводов

1928 год	1933 год
100%	100%

ПЯТИЛЕТКА САХПРОМЫШЛЕННОСТИ

WHEN IN 2017 the world marked the centenary of the Bolshevik seizure of power, on 7 November 1917, many were unwilling to celebrate the economic achievements of the system that the revolution put in place. Soviet socialism was a failed system, they argued – one that did not work, leading finally to its collapse. Moreover, although the collapse of the Soviet Union occurred in the 1990s, the beginnings of failure are sought in developments since the collectivisation of the late 1920s, which are seen as marked by much sacrifice by the ordinary citizen with little long-term benefit in terms of growth.

The Differentiating Features

Many of these critical analyses ignore or dispute three key elements of the Soviet experience, the implications of which go beyond the Soviet experiment. The first is the fact that the Soviet Union, despite having to muddle through in the face of extraneous constraints, did manage to replace the market mechanism with the ‘planning principle’. The advocates of the planning principle saw in it the means: (i) to overcome the anarchy associated with the atomistic decision-making characteristic of systems based on private property and the market mechanism; and (ii) to ensure the execution of socially beneficial projects, that are unlikely to attract investments in a system where investment decisions are driven by profit. A typical example of the latter is crucial infrastructural projects.

In market-driven and profit-oriented systems, the level and allocation of investment gets determined by the “guesses or expectations of a large number of independent decision-takers (entrepreneurs), in the long run ‘revised’ by ex-post movements of market prices”.¹ Since the investment in fixed capital that results is by definition irreversible, decision errors are costly in individual and social terms. And such errors are bound to occur, since private investment decisions must be based on estimates of prices that would prevail over the lifetime of the project. The only basis for these estimates is ‘historical prices’. But it is the independent and subjective decisions of capitalists, based on historically given prices, that create the capacities and generate the pattern of demand, that actually determine future prices. Expectations of future costs and prices based on historical prices are bound to be wrong. So the sum total of individual investment decisions results in shortages in some sectors, and over-investment, unutilised capacity and closure, in others. Moreover, the system would be incapable of ensuring full employment. Hence a system that seeks to supersede the anarchy of capitalism must coordinate investment and arrive at ‘prior’ decisions on the total volume of investment, its allocation to different sectors and particular projects and the technical forms in which the investment would be embodied, to maximise growth and ensure full employment. That was the essence of the planning principle.

The second element of the Soviet ‘model’ that advocates of the superiority of the market mechanism want to underplay, or rubbish, is its unusual choice between emphasising capital and consumer goods production, which amounted to privileging investment over consumption in a poor country with low per capita consumption and high unemployment. The Soviet development strategy (formalised in the Feldman model²) managed to demonstrate in large measure the ability of a state representing workers and peasants to make the ‘social decision’ to rein in consumption growth in the short run, in order to divert investment to the production of the machines that can more productively employ workers and accelerate the growth of income and consumption at a later date. This choice was essential not just to realise ambitious developmental goals, but

was the principal factor explaining the consolidation of ‘socialism in one country’ subject to capitalist encirclement and plagued by war. Soviet success was crucially dependent on the successful implementation of that strategy.

Finally, the third aspect of the Soviet model that disturbs those who want to undermine its achievements is that, despite the emphasis on heavy industry and machine production that was so crucial to its success, the Soviet Union ensured rather early in its development path that the unemployed and underemployed in its largely rural labour force were absorbed into a more productive non-agricultural sector, with improved living standards involving increased consumption levels and access to basic services such as housing, education and health. According to one careful estimate of consumption trends during the years when the post-revolution economy was stabilised, and before the Second World War, total consumption in the Soviet Union increased by 42% between 1928 and 1937 and per capita consumption by 37%.³

The Record

Critics of the Soviet Union not only choose to ignore these essential elements of the Soviet path but also the fact that it is one among the few (actually four) examples in the 20th century of countries that made the transition from being an underdeveloped backward country to being an advanced nation (the other three being Japan, South Korea and Taiwan, since Hong Kong and Singapore were entrepôt city-states and not really comparable). At the time of the October Revolution, while Russia had seen substantial development of the railways (though not as much as the rest of Europe relative to area and population) and was home to pockets of advanced industrial development, it was predominantly a backward and largely an agrarian economy. Only a tenth of the population was employed in industry and around 15% lived in towns. Given the limits to productivity advance in agriculture defined by geography and climate, accelerating growth required faster and more diversified industrialisation. And given the constraints on obtaining technology and capital equipment from abroad, investment in machine and intermediate production to raise productivity and production in the consumption goods sector was crucial.

Long-term, comparative estimates of gross domestic product (GDP) from Angus Maddison⁴ establish that over the period 1928 to 1970 the Soviet Union was the second fastest growing economy in the world, after Japan. And when compared with Southeast Asia, West Asia (Mideast), China, British India and Africa, its performance was remarkable, resulting in the closing of the developmental gap between the backward Soviet Union and the advanced countries. Excluding the war decade of the 1940s, GDP growth stood at between 5% and 6% per year over 1928-70. Deceleration began only after that, falling to 3.7% per annum during 1970-75, 2.6% during 1975-80 and 2.0% over 1980-85.

The period of comparison starts in 1928 because the immediate post-revolution decade included the years of turmoil or War Communism (1918-20) when the battle of the Red Army forces with the counter-revolutionary White army was waged and won, and of the New Economic Policy (1921-28) when damage caused by War Communism was repaired and normalcy restored. In the course of the former, between 1917 and 1920, the industrial economy was devastated, with output of cotton yarn, for example, falling by 93% and that of pig iron by 96%. Besides having to overcome such damage, two decades later, the Soviet Union played a decisive role in defeating fascism, suffering further damage, amounting to a

near catastrophe. The Second World War not only forcibly diverted resources away from development but took a huge toll in terms of the loss of human lives and capital and material resources. Yet, development proceeded at a rapid pace to reduce the income gap between the Soviet Union and the advanced nations. Seen in that light, the relative performance of the Soviet Union over 1928-70 was remarkable, to say the least.

This ability to ‘catch up’ in GDP terms is also noteworthy because the Soviet Union’s situation was unlike that of South Korea and Taiwan, which by virtue of being ‘frontline states’ in the Cold War had the benefit of access to developed country (especially US) markets and capital. The Soviet Union was shut off from access to capital from abroad to finance imports of productivity-enhancing equipment and had limited access to markets abroad. Also, the facts that for long there was socialism only in one country, and that country was encircled, meant that resources had to be diverted to defence expenditures – to deter enemies within, during the civil war, and without, subsequently. In addition, the Soviet Union’s achievements in the realms of ensuring full employment, universalising education and provision of health services are without comparison.

The remarkable record of the Soviet Union is often veiled by resorting to two devices. The first is to compare Soviet achievements with targets set by the Soviet leaders and planners themselves, which in some periods remained unrealised. The second is to compare Soviet performance with that of other countries over the longer period 1928 to 1989, which includes the two decades after 1970 that were characterised by a slowdown of growth, because of the failure of the reforms that began to be instituted in the 1960s and after, in the run up to the disastrous transition that *perestroika* involved. When examined over this extended period stretching to 1989, the increase in per capita GDP in the USSR was less than that in South Korea, Japan, Taiwan, Portugal, Finland, Singapore, Italy, Norway, and Thailand. If the end-date is shifted to 1991, Spain, Jamaica, and Singapore also perform better than the Soviet Union. This, however, calls for an explanation of why the performance of the period 1928-70 could not be sustained, rather than for a dismissal of the whole experiment as an economic failure.

The ‘Physical’ Constraints on Development

The Soviet developmental achievement, as noted, was based on a significant increase in investment, and therefore a rise in the share of annual output diverted to investment. This required in the first instance the postponement of consumption increases in order to release resources for investment. But what became clear was that this investible surplus had to take specific material forms. Agricultural surpluses were needed to feed the labour force employed in the non-agricultural sector, provide industry with needed agricultural inputs, and undertake exports that earned foreign exchange needed to import some of the essential capital goods needed for industry. A part of the surplus had to be in the form of capital goods (equipment and machinery) needed to employ workers in the non-agricultural sector as well as rapidly raise their productivity. This investment goods surplus had to be substantially domestically produced, since the agricultural surplus that could be transformed through trade into machines was limited, as were the opportunities for trade. Finally, some of the surplus had to be in the form of intermediate goods to service the requirements of agriculture and industry.

Thus, there were two kinds of imperatives that faced the post-revolutionary government. First it had to make the institutional changes needed to enhance the area of control of the state, allowing it to subordinate the market mechanism to the ‘planning principle’, so as subsequently to neutralise the former. The market mechanism was not benign and would favour the better-off, leading to increasing inequality and the restoration of capitalism. And, as noted, the market was ‘anarchic’ with competing capitalists acting on their own and no possibility of coordinating investment to reduce social waste and allocate investment in ways that would maximise growth. Second, the government needed to delineate and implement a strategy that would maximise growth while overcoming the structural constraints set by the country’s backwardness and its internal and external conditions.

Changing Asset Ownership

Institutional change did not imply a sudden and complete transition to comprehensive state ownership. It is true that Lenin and the Bolsheviks did see proletarian leadership in the revolutionary transition as crucial to the progress to socialism. It is also true that immediately after the revolution, during the period of War Communism and thereafter, a large number of industrial and banking enterprises were brought under state ownership. By late 1919 around 4,000 large-scale industrial units had been nationalised, and subsequently even a number of small-scale factories were brought under state ownership. But such state ownership was driven by the imperatives of the civil war and did not imply socialism in Lenin’s understanding. The *April Theses* made clear the need to immediately bring “social production and distribution of goods under the control of the Soviet of Workers’ Deputies”, but saw this measure among others (such as the consolidation of all banks and subordinating the single entity to Soviet control) as also having been “frequently undertaken during the war by a number of bourgeois states”.⁵ In sum, these moves may support the subsequent transition to socialism, but were in the first instance not undertaken with that sole purpose, and were not completely irreversible. They were necessitated by the special circumstances of War Communism. Within such a frame, agriculture remained largely under commune control, though land was nationalised to break the monopoly over land of the landed aristocracy. Land was allocated to willing cultivators functioning with some independence even if as part of the larger commune. Private presence was substantial in trade, especially retail trade. Thus the system combined elements of private and social ownership, and a role for the market alongside that for command and control.

The initial phase of workers’ control in industry went through many phases of change. In the first, to combat managerial chaos and even syndicalism in which workers’ committees saw themselves as owners who had the right to the produce of ‘their’ factories, control was centralised and managers appointed reporting to the centre. Simultaneously, in many instances control was shared with or left to erstwhile owners, given their expertise in managing the enterprises which was seen as needed to sustain production. However, since the civil war necessitated control over production, to prevent private efforts to limit output and indulge in sabotage and the diversion of supplies for military needs, the government was forced to march to nationalisation. But, as mentioned, for Lenin this hastening of pace in the introduction of state ownership and management was the result of the special circumstances of War Communism and the need to protect the gains of the revolution.

Agricultural Surpluses and the *Smytchka*

The strategy for accelerated development taking shape during these years was partly defined by the circumstances of the time. As noted, diversifying into industry required providing for the agricultural and allied consumption needs of the industrial working class and the agricultural raw material needs of industry. There were, among others, two features of Russian agriculture at that time which militated against realising this. First, Russian agriculture was poorly off, with low and stagnant productivity and limited possibilities of expansion of cultivated area. So raising land and labour productivity was crucial. But fragmented land ownership and operation left cultivators without the means or the incentive to cultivate, and small holdings militated against the use of modern agricultural practices and the exploitation of scale benefits to raise productivity. Second, while the exit of workers from the rural areas increased per person agricultural output, the resulting surplus of food crops was not automatically released to meet the needs of urban workers, because of increased self-consumption of those staying back in agriculture, especially the middle peasantry. Efforts to mobilise 'surplus' food were imperative if industrialisation was to be accelerated. Agricultural surpluses were also needed to earn foreign exchange through their export, so as to finance the import of capital goods needed for industrialisation.

While, in the later years of planning, the determination of the volume and composition of surpluses needed to realise a target rate of growth while maintaining inter-sectoral balance was facilitated by appropriate models and computational facilities, in the early years trial-and-error inevitably played a role. The Soviet Union being the first experiment with planned development, it was also the site where the process of planning was learnt by doing. It was clear that a central question posed early in the developmental transition was regarding the measures that had to be adopted to mobilise the material agricultural surpluses needed to 'finance' industrialisation. Once the revolution nationalised all land and transferred its use to peasants organised in communes, the egalitarianism in landholding – while unleashing peasant energies – created a land-holding structure not conducive to the use of modern technologies and exploitation of economies of scale. Cooperativisation or collectivisation was crucial for raising productivity and enhancing surplus in production.

Simultaneously, the fact that agriculture did exhibit increasing returns of scale meant that commune ownership was not a guarantee against class differentiation. With decentralised allotment of land determined in principle by the expressed intent of commune members to cultivate the land resulting in individualised possession and operation, the process of differentiation would create a section of richer (capitalist) peasants or kulaks at one pole and marginal farmers and workers at the other. In time, the richer peasants or kulaks would control the disposition of much of the surplus making them a potential threat to the socialist project.

The task of mobilising the required surplus was made more difficult by the fact that, for a considerable period after the revolution, flows between sectors, especially between agriculture and industry, were largely mediated by exchange relations or the market. The Soviet state needed to control and influence those relations of exchange to realise the requirements set by its intended *a priori* plans. This would require either compulsorily procuring agricultural surpluses, especially food, at state-determined prices, or manipulating the terms of exchange (or relative prices) between a predominantly peasant agriculture and state-controlled industry in favour of the latter, and thereby garnering surpluses through the sale of industrial requirements to the peasants.

Over 1919-20, one way in which food surpluses were sought to be mobilised was through compulsory procurement. Based on its estimates of surpluses (above necessary self-consumption), the government requisitioned supplies and directly distributed them. Since during this period industrial goods were in short supply, because of the underdeveloped state of industry and the damage caused by war, industrial prices were rising. Workers in industry were partially insulated from that inflation by payment of a substantial part of wages in kind. The peasantry on the other hand was doubly burdened, by having to hand over (often under duress) the requisitioned supply of food at specified prices and by having to pay higher prices for industrial goods.

In time the disincentives created were so severe that the area sown and therefore the level of production began to shrink. Combined with the damage inflicted by war on agricultural operations, this reduced agricultural production in 1920 to just above 40% of the average production during the five years preceding the war. Recognising the economic and political damage being caused, the 8th Party Congress, persuaded by Lenin, warned not "to confuse the middle peasantry with the kulaks", and made clear that "Soviet policy must reckon with a long period of cooperation with the middle peasantry".⁶ To that end it called for a "more attentive attitude to their needs", and "the elimination of arbitrary conduct on the part of the local authority". Nevertheless nationalisation of industry and the compulsory procurement of agricultural surpluses and centralised allocation of these surpluses to the urban population and the army were the essential features of War Communism. A concomitant was a reduced role of the money economy and market-mediated exchange between agriculture and industry.

The measures adopted were, as is to be expected, unpopular with the peasantry, threatening the political element recognised by Lenin as crucial for both the success of the Russian revolution and the consolidation of its gains: the *smytchka*, or the alliance of the working class and the peasantry. But the rapidity with which those measures were embraced was not because of any attempt to accelerate the transition to socialism, as interpreted in some quarters within and outside the Soviet Union, but was explained by the exigencies of the war period. So, as soon as the war ended, the effort was to roll back the extent of centralised control and administration, and restore normalcy in production within the framework of the extant ownership pattern and by reviving exchange transactions mediated by the market where necessary. War Communism was an unavoidable aberration, and with its end a more gradual process of transition could begin.

The Return to 'Normalcy'

The first step to reduce the burden on the peasantry and restore market relations was the replacement of compulsory procurement with a food tax, set at a level where it would yield around half as much as the previous system did, to cover the essential needs of the non-agricultural sector. Simultaneously, the right of the peasants to trade whatever surplus remained with them was restored, as were market-mediated relations between agriculture and industry and a greater role for the money economy. At the other end, industrial enterprises were allowed to sell their output commercially and acquire their supplies from the market. This process was extended and finally industry (with some strategic exceptions) was released from direct relations with the State budget and expected to meet its expenditures from its own revenues. This was the framework that ruled during the period of the New Economic Policy, which saw a return to decentralised, market-mediated relations, with a fair amount of dispersed control over production and commerce. In the concession to capitalist relations, the primary locations of

incipient capitalists were agriculture and trade, in the form of the kulaks or the richer peasants who hired labour, and traders in the retail trade or the ‘Nepmen’ as they were called.

This “transitional mixed system”,⁷ that Lenin termed state capitalism, had a bundle of contradictory features: nationalised medium and large industry; agriculture with pre-socialist ownership forms such as communes and cooperatives except for small areas under collective farms; peasant differentiation with labour-hiring kulaks; private capital in trade; and market-mediated trading relations, especially between agriculture and industry. The system was state capitalist because of nationalised industry, State oversight over petty production, and political power in the hands of the party of the working class. Given these features it was not stable, and would evolve either in the direction of capitalism led by the kulaks and the Nepmen, or in a socialist direction with greater state ownership and control. Ensuring the latter was all the more difficult because of the actuality that socialism was restricted largely to one country, even if a federation.

The unstable nature of this system came to the fore when, after the restoration of some normalcy in industrial production, the country was faced with the bad harvest of 1921. With inadequate agricultural goods being offered in exchange for industrial products, industry was starved of both demand and revenues to sustain production. Agricultural prices rose, but with supply shortfalls peasant incomes did not rise, but actually fell. And urban workers had to allocate more of their incomes for more expensive food. Together these reduced demand for industry. The crisis was one where the marketed surplus being delivered by agriculture was not enough to meet the needs of restored production in the cities.

But the situation soon reversed itself in destabilising ways, as improved weather and better prices led to an increase in agricultural production and a fall in agricultural prices, shifting the terms of trade or relative prices in favour of industry and against agriculture. Starting with the 1922 and 1923 harvests, production picked up and prices fell by around half in the six months following August 1922. However, the extent of the price decline was far in excess of what was warranted by the improvement in agricultural production, because the cartels or syndicates of industrial enterprises that had been formed to deal with the trading problems encountered in 1921 were using the occasion to keep their prices relatively high. Combined with a much slower recovery in manufacturing production, this resulted in a growing divergence between agricultural and industrial prices. This ‘scissors crisis’ threatened not only to alienate the peasantry but also to trigger a fall in sowing and agricultural production. The State had to intervene to rein in the cartels and support agricultural prices with the help of exports.

These developments underlined the problems that were likely to arise in agriculture-industry relations as growth returned and accelerated. By 1926, the Communist Party had come to the conclusion that the return to normalcy was complete and the stage had been set for accelerated growth under a post-NEP regime. But the question remained as to how the agricultural surpluses were to be mobilised to support a more rapid pace of industrialisation.

Initially, the tendency was to seek the support of the peasantry to enhance production. As part of that process, in 1925, the period for which land could be leased was raised from six to twelve years. This was a concession that favoured the kulaks, who were the ones who resorted to leasing in land allotted to poorer peasants in return for access to equipment the former owned. Increased production from the use of this

concession would accrue to these sections who would also have control over marketable surpluses crucial for industrialisation. But the justification for a softer stand vis-à-vis the peasantry was not the need to favour the ‘productive’ kulaks, but to isolate them in time by winning over the middle peasants.

Primitive Socialist Accumulation

While the official reaction to the ‘scissors crisis’ was an attempt to appease the peasantry by ensuring that prices and production were such as to enhance agricultural incomes, there was a strong faction that still saw the need to squeeze the peasantry to extract the surpluses needed for industrialisation. Yevgeni Preobrazhensky formalised this argument by making a case for “primitive socialist accumulation”, through which the State extracted surplus value from the petty producers, especially the peasant economy, so as to expand industry and raise its productivity. This extraction was to be done not so much through taxation (which was one possibility), but more effectively by setting prices such that the terms of trade shift sharply in favour of industry. But as past experience had shown, this could not only alienate the peasantry, but also disincentivise agricultural production and reduce the real material resources made available to support industrialisation. In the debate that ensued, the official position won out, with emphasis on reduced industrial prices as a way of encouraging peasants to trade in their surpluses, and an effort to put an end to any coercion of the kind adopted in the rural areas under War Communism.

Industrial Policy

With that position adopted with respect to agriculture, attention was now turned to formulating the strategy for rapid industrialisation. Already, in the resolution adopted at Fourteenth Party Congress in 1924, following the report presented by Stalin, the immediate objective set was to ensure

“that the Soviet Union be converted from a country which imports machines to a country which produces machines, in order that by this means the Soviet Union in the midst of capitalist encirclement should not become an appendage of the capitalist world economy, but an independent economic unit which is building Socialism”.⁸

This was an early statement of the position that given the limited possibilities of and dangers of relying on transforming domestic goods into imported machines through trade, the machines had to be produced at home. Machines would be produced to produce the machines that would then enhance productivity in the consumption goods sector.

But even as plans to accelerate industrialisation began to be put in place, the agrarian constraint once again asserted itself. Problems arose with mobilising agricultural surpluses, with signs of a shortage of industrial goods required to be exchanged for agricultural supplies at the prevailing prices favouring agriculture. The opposition once again attributed this to the strengthening of the kulaks favoured by the agricultural policy under the NEP, with these favoured sections holding back supplies from the state procurement agents in the hope of getting a higher price in markets. The official position did not deny the need to rein in the rich peasantry in the changing situation, but felt that the relative strength of this section in rural areas was being exaggerated and that there was still no clarity on the best way to do confront

it without losing out on the support of the middle peasant and endangering the *smytchka*. There were many who still felt that a soft touch approach to the peasantry as a whole was the need of the times.

Differences on the question of the relation between agriculture and industry pointed, however, to a more fundamental issue that needed to be faced. How fast must industry be planned to grow? The faster the pace of industrialisation, the greater would be the agricultural surplus that would have to be mobilised, and the more the burden that would have to be imposed on the peasantry. Calls for a soft touch towards the latter from the 'Right opposition', of which Bukharin had emerged an important representative, were in essence a call for a slower pace of industrialisation. But as already noted, this was not all a matter of free choice for the Soviet government. A high rate of investment in industry and the creation of a large and fast expanding industrial sector were necessitated by the circumstances of the time. And failure to industrialise could lead to a restoration of capitalism.

A crisis in the intra-sectoral exchange between industry and agriculture in 1927, which intensified in 1928, made clear that any plan of accelerated industrialisation could not be pursued within the framework of agriculture-industry relations that existed. Within the relatively egalitarian and fragmented distribution of land, the pace of increase of productivity was limited. And given the relative position and role of the rich peasantry and the desire for increased self-consumption of the middle peasants, mobilising even the available surplus was extremely difficult. Even in the good harvest year 1925-26, marketed surpluses were below their prewar level. The official position on the attitude to be taken vis-à-vis the peasantry changed sharply relative to what had been expressed three years earlier, and the Right opposition came under severe attack. Reporting to the Fifteenth Congress Stalin declared:

“The way out is to turn the small and scattered peasant farms into large united farms based on the common cultivation of the soil, to introduce collective cultivation of the soil on the basis of new and higher technique. The way out is to unite the small and dwarf peasant farms gradually and surely, not by pressure but by example and persuasion, into large farms based on common, cooperative cultivation of the soil, with the use of agricultural machines and tractors and scientific methods of intensive agriculture. There is no other way out.”⁹

In practice, in the immediate following years, the main benefit of collectivisation was not so much the increase in productivity, as the ability both to release workers from agriculture and to mobilise the surpluses needed to support industrialisation. In addition, the establishment of large scale state farms from new land brought into cultivation in the arid regions helped substantially increase the surplus grain that could be procured.

Collectivisation did evince an aggressive response from the rich peasants and the land-hungry middle peasantry, leading to resistance of various sorts including the slaughter of cattle as a form of protest. What followed was an aggressive offensive against the kulaks, with their property being expropriated. In the process 'excesses' were common, earning collectivisation a bad name. The transition was brutal and painful, but at such cost it did pave the way for launching the process of 'socialist construction' based on rapid industrialisation.

Planning Socialist Construction

The industrialisation strategy was ambitious from the start. The First Five-Year Plan targeted an increase in net investment to between a quarter and a third of national income, which was almost two and a half times the level before the First World War in Russia and double that in Britain in pre-war times. And of that investment a third was to be in industry, of which in turn three-fourths were to be diverted to heavy industry. By the end of the First Plan, capital goods output had risen by 250% and the output of machines by 400%, albeit from a low base. The performance of the consumer goods industries, though uneven, was less noteworthy.

From the beginning the Soviet experiment was one of making short-term sacrifices in the long-run road to rapid productivity increases in the future. However, because growth was expected to accelerate, the fall in the share of consumption in national income was not expected to result in a fall in absolute aggregate consumption, but in a significant increase of that figure. Consumption did increase. But with the disruption and slaughter that followed collectivisation and the increased demands for defence, the government's own consumption targets were not realised.

With growth high and productivity increases not as dramatic as originally envisaged, employment increased significantly, leading to a transition from a situation of excess labour supply to one of labour shortage, and especially so for skilled labour. Wages rose and upset calculations of the demand for consumption goods, leading to inflation. But the fact of the matter was that right from the start the Soviet strategy was extremely successful in drawing workers into the workforce as part of a process of 'extensive growth'. Productivity increases were, however, lower than expected.

Not surprisingly, the Second Plan (1933-37) was better than its predecessor, for three reasons. First, collective farms were consolidated and their operations improved. Second, the government learnt from early mistakes, reducing the share of investment in total income and increasing investment in consumption goods production, for example. But the capital goods sector still got around three-fourths of total industrial investment. The strategy remained the same, since the circumstances defining it had not changed. Third, the increased production of capital goods helped support investment and increase productivity. But meanwhile the threat from Fascism was already being felt, necessitating diversion of resources to defence and the military, adversely affecting the growth of consumption.

Despite the constraints, over the 10 years of the first two Plans iron and steel production had risen by 400%, coal production by 350%, and electric power by 700%. Politically, the Soviet Union had travelled a long distance from the period of War Communism and the NEP. Socialist industry had made significant strides and collective agriculture had stabilised. The new Constitution of 1936 could confidently state that "the socialist economic system and the socialist ownership of the tools and means of production" had been "firmly established as a result of the liquidation of the capitalist economic system, (and) the abolition of private ownership of the tools and means of production". The absolute output in many sectors of industry was ahead of that in many advanced capitalist nations, though per capita production was way below that in many of those countries. The Soviet Union had prepared the base for full catch-up, and for substantial improvements in the standards of living after years of sacrifice. But, unfortunately, the Second World War intervened.

Though Hitler's assault on the Soviet Union came in June 1941, the last but one year of the Third Five-Year Plan, preparations for war had become inevitable from the very beginning of the plan period. This had a number of consequences. First, even by 1940, defence expenditure rose to double what it was at the beginning of the Third Plan, and the allocations for defence and investment combined left less than half of national income for consumption. Moreover, just 15 per cent of investment in industry was available for the consumption goods sector, precisely when the time had come to reward the person on the street with the fruits of planning in the form of increased consumption. The sacrifice in consumption growth that the Soviet citizen had been called upon to make was followed by a devastating war, which was a disaster in all senses excepting for the fact that it helped win for the whole world the battle against fascism. Production at the war front was brought to a halt, equipment was damaged and much of capacity had to be evacuated to the east. Civilian consumption in the Soviet Union fell by much more than in England or France.

The devastation of war was aggravated by the deliberate destruction by the retreating German army of industrial facilities, railway tracks, mines and cattle. Even by 1945 only a small proportion of the pre-War productive capacity of the affected regions had been restored. Not surprisingly, the post-war Fourth Five-Year Plan had to return with a vengeance to the emphasis on heavy industry. The onset of the Cold War did not help. Defence investments had to expand to close the gap with the United States.

It hardly bears stating that this amounted to a harsh imposition on the people over an extended period starting with the civil war. They were being called upon to sacrifice increases in consumption with the promise of investment aimed at raising productivity, growth and future consumption. But if a significant part of what is sacrificed is diverted to either repair the damage caused by wars or prepare the military and means to fight them, that promise is belied. The pressure on the State to make up for this deviation was immense.

Time for Restructuring

Meanwhile, even before the war, the long period of 'extensive growth' that had drawn the surplus labour force into employment had come to an end. This resulting tightness in the labour market would have been aggravated by the loss of human lives during the War. This made the transition to a trajectory of 'intensive growth' driven by technological change and productivity increases an immediate imperative. Not surprisingly, the Fifth and Sixth Plans, covering the decade of the 1950s, were focused on the effort to promote 'intensive growth' with labour productivity projected to increase by 50%. That task was, however, rendered more difficult by the fact that the wars and the encirclement had diverted investments from productivity-enhancing machine production to the production and improvement of defence equipment.

Further, just when the shift to an intensive path had to begin, the need to enhance consumption was at its highest. Thus, by the 1950s and 1960s, two shifts in the development strategy were called for. The first was a conscious effort to compensate the Soviet people for the long years of sacrifice they had endured, by changing the emphasis in the plans from investment to consumption and leisure. The second was the acceleration of technological change and productivity increase, which required diverting resources to research and development and increasing investment in new equipment that embodied new technology.

Progress on the first of these fronts was visible. Long overdue benefits were instituted, such as reductions in the number of working hours per day and number of working days per week, improvements in wages of the lowest paid, reductions in wage disparities, and enhanced social security benefits. Investment in light industries producing manufactured consumption goods was encouraged. Yet, the pressure to increase the pace at which these changes were being instituted remained.

But the more important problem that emerged was to ensure the second of the transitions from extensive to intensive growth. The deceleration of growth that began in the 1970s, noted earlier, was evidence that progress in this area was short of what was required. There were also signs that demands for larger quantities of more diverse and better quality consumption goods could not be met.

The resulting perception that the twin tasks set for the Soviet government were not being accomplished to the satisfaction of a population that had made much sacrifice and waited patiently for the benefits of a socialist future strengthened those arguing for change. The historical origins of these problems are well known, and have been discussed above. However, the explanations for these shortfalls shifted to other features of the centralised system of decision-making that delivered the achievement of the period of extensive growth. This determined the direction 'restructuring' should take. The special circumstances which had imposed huge burdens on the ordinary citizen in the past were ignored, and those burdens themselves and the avoidable distortions that emerged in the process of 'learning to plan' became the justifications for the corrective reforms adopted at the 20th Party Congress of 1956 and subsequently.

These reforms were influenced by an analysis emphasising the institutional weaknesses associated with centralised investment decision-making as a system of economic governance. These weaknesses were seen as varied. First, the system, it was held, wrongly presumed that central planners have adequate access to the wide and enormous range of information required to execute their implicit brief. This 'informational inadequacy' arises only partly because of the difficulties involved in creating a framework which allows for the collection, collation and transmission of the required information at a fast enough pace. It also results from the fact that agents at lower levels of implementation and governance may choose to hold back and not transmit crucial information or even find incentives for transmitting partial or incorrect information, which puts the whole mechanism in threat. This may not matter as much during the extensive phase, but can gain importance during the intensive phase.

In addition, there was the view that centralisation had led to 'bureaucratisation' at different levels of decision-making, which the political framework created to protect 'socialism in one country' and simultaneously accelerate socialist construction could not prevent. Such bureaucratisation could not only lead to wrong investment decisions, influenced by sectional rather than societal interests; but it could also lead to objectives and rules which are set – not because they are perceived by the planners as being socially accepted – to those which are considered best by the planners themselves, and not necessarily always from a societal point of view. Even if consumer sovereignty, which presumes that individuals are the best judges of what is good for themselves, is a notion that can be dispensed with under socialism, some means to ensure the incorporation of individual priorities and desires when deciding on the volume and pattern of consumption should be

provided for, if individuals are not to be alienated from the system. Market-mediated signals and the flexibility of producers to respond to them were seen as the best devices to address this issue.

Finally, the view gained ground that pecuniary incentives were needed to align the objectives and goals of agents at all levels of decision-making or implementation (including shop-floor workers or workers in agricultural cooperatives or state-owned farms), and to make all agents adopt the objectives considered appropriate by the central planners. The potential lack of uniformity of objectives among agents whose structural position in the system differs is of significance, because the conventional means under capitalism of trying to impose discipline through closures, retrenchment and lay-offs, and the threat of the sack, are rejected under socialism. Alternatives have to be found. This problem has always been recognised in the traditional discourse on planning, which considered politics and ‘socialist example’ to be the keys to realising correct and consistent decisions at lower levels of decision-making. Consensus among the majority around the political agenda, seen as a requirement to put in place the system of central planning itself, and the ability to use that consensus to enforce non-financial penalties for deviance, were seen as adequate to ensure commonality in objectives pursued by different agents. In practice, the critics argued, this means of ensuring consensus does not work.

The Character of Reform

Influenced by views such as these, the reforms adopted amounted to a reversal of the march towards a more centrally controlled socialist economy operating on the basis of the planning principle. To start with, they made the emphasis on investment and investment goods production an error. There was a growing perception that priority for capital goods production was a reflection of over-centralisation and had to be diluted or done away with. Dilution of that priority was seen as needed not only because the sacrifices necessitated by development in the midst of two war periods warranted faster growth of consumption goods production. Dilution was needed to combat centralisation and bureaucratisation.

Secondly, the reforms sought to reverse changes in ownership structures. An example was the decision to permit collective farms to own machinery, subsequently validated theoretically in the formulation on the “two forms of socialist property”, with “the advance towards communism” expected to proceed with both “the perfection of State property” and “the rapid development of cooperative and collective farm property”.¹⁰ And the third was the dilution of the idea that the planning principle should supersede the market mechanism, on the grounds that the requirement for money wage payments and wage differentials in the labour market necessitates a monetised market for consumer goods, and therefore a role for the market mechanism and the law of value in determining the allocation of investment and the pattern of production. A 1961 Programme spoke of the need to combine planning of “key targets” with the “extension of operative independence and initiative of enterprises”. These were departures from the principles in the earlier view that demarcated and differentiated between the essential natures of capital market economies and socialist centrally planned systems, with a much greater role for market-mediated decentralisation.

Given the slow pace of productivity increase, these arguments for ‘decentralisation’ were justified as a means to encourage innovation at the operational level and as needed

to correct the distortions created by quantitative targets set to realise the plan, which led to the neglect of quality. The call was for a departure from centralised directives and to more ‘transparent’ and ‘effective’ indices of performance such as ‘profit’.

Soviet planning, if it still could be called that, began taking a whole new direction. It cannot be denied that the long years of sacrifice and the distortions created by the need for extreme centralisation in particular periods, necessitated slowing down the march to a fully planned economy. A process of restructuring within the frame of a ‘New Economic Policy’ suited to a much advanced economy was perhaps required. But, this imperative gave space to certain ideological tendencies that exploited the fatigue of a nation that had been in a state of near constant struggle, to reverse many of the advances that made the Soviet Union an economy that operated on the basis of the socialist planning principle by transcending the anarchy of the market mechanism. It is not the intent of this essay to examine whether the slowdown that continued and the final crisis that afflicted the Soviet Union was a result of this transition. But experience proves that the reforms adopted did not restore dynamism to the Soviet Union in the intensive phase of growth. In the event, by stretching the period of judgement to 1990, the critics can incorrectly declare that a remarkable experiment with immense achievements was a dismal failure.

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PIERRE MARSHALL



PASOKIFICATION: SOCIAL DEMOCRACY IN CRISIS



THIS ARTICLE discusses the electoral prospects of social democratic parties in Europe since the crisis of 2008. It identifies the concept of *pasokification* as a diagnosis for declining vote share and party collapse. It argues that the crisis has created a demographic which does not respond positively to neoliberal solutions. Lastly, it highlights the left alternatives emergent in a renewed social democracy.

Origins

The concept of *pasokification* was first coined by Labour activist James Doran, in the aftermath of the 2012 general elections in Greece.¹ Doran highlighted the electoral collapse of PASOK (the Panhellenic Socialist Movement) as a cause of concern for the British Labour Party. He also offered some remedies so as to help Labour avoid repeating PASOK's experience. The concept worked on two levels: firstly, it explained a general trend occurring across Europe, and secondly, it acted as a plea for Labour to not make the same errors as its Greek sister party.

Doran's earliest reference to *pasokification* identifies a situation where "a Labour government is elected on a wave of hope which the leadership of its parliamentary party is unwilling to meet."² Following Doran's example this would trigger the collapse of the party and open up the way for an alternative left force in the form of a "British Syriza".

From the very beginning, the concept is grounded in the relationship of the Labour Party to the workers' movement. This can be clearly seen in the conditions Labour was in, prior to the resurgence of the left within the party. The political landscape before the 2015 general election was dotted with hopeful left-wing alternatives to Labour; among them the Green Party, Left Unity, and TUSC. The Campaign for Labour Party Democracy was also floating the possibility of setting up a separate 'trade union party' which would be affiliated to Labour.³ However, the 'trade union party' proposal was never followed through and none of the national left-wing alternatives made any significant electoral intrusions.

George Galloway's victory in the 2012 Bradford West by-election took Labour by surprise, and suggested that its electoral base could not be taken for granted. Aside from the loss of one seat in Parliament, the importance of the 'Bradford Spring' was that some voters idealised Galloway as a more authentic expression of 'true' Labour values, set against the Labour Party itself.⁴ This theme reoccurred in Tower Hamlets, where Labour lost ground to a new independent group called Tower Hamlets First. Again, several of the Tower Hamlets First candidates were former Labour councillors, including the mayor – Luftur Rahman. Also in East London, a series of

disputes between community activists and the Labour council in Barking & Dagenham caused three sitting Labour councillors to join the Socialist Labour Party. These outbreaks of dissent were small and isolated, but they all emerged from contradictions within Labour.

The programme of intensified class dominance pushed by the 2010-15 coalition government was met by a broad anti-austerity movement. This had the political support of major trade unions, yet it was not fully reflected in the Labour Party, which pointedly refused to support union mobilisation around pay and pensions.⁵ Labour's position on austerity was vague then, and at best the party sought only to dampen the ferocity of the class offensive, not to repel it.

In the run-up to the 2015 general election, discussion of Labour's impending collapse continued. Michael Meacher,⁶ Aditya Chakraborty,⁷ and Doran himself⁸ all returned to the theme, animated by Labour's difficulties in Scotland. Richard Seymour also predicted Labour's collapse on the same lines as the French Socialist Party:

"If it wins, Labour will be forced to implement an austerity agenda which, while not enough to satisfy Conservative voters, will turn its own remaining voters off in droves. That would be a defeat of a different order. For a vision of that future, one need only look across the Channel, at François Hollande sinking and sinking in the polls, and the Front National on the rise."⁹

Labour did not win in 2015; it lost a further 26 seats and left the Conservatives with a slim majority in Parliament. The Scottish National Party took 56 of Scotland's 59 seats, most of which had belonged to Labour. In one of Labour's safe constituencies in Glasgow, the vote share dropped by almost 35 percentage points.¹⁰ The Green Party and UKIP only won one seat each, but they both managed to quadruple their votes.

These results were enough to shock Labour out of complacency. Seymour's post-election analysis identified it as the collapse of Labour,¹¹ and Steve Topple warned that the party was "completely disenfranchised from its voting base."¹² Seymour and Mark Perryman¹³ in particular referred to a narrative that Labour had been "saved by First-Past-the-Post" – *ie* that the Labour result was propped up by tactical voting behaviour, rather than a sense of genuine *parteinost* or party loyalty from Labour supporters.

The election was a sign that the party had to change. This desire for a new approach was channelled into the subsequent leadership contest, which set in motion the reorientation of the party to the left.

Crisis of capitalism

Having explained how the concept of pasokification originated in Britain, and was applied to the British Labour Party, we now have to ask *why* it occurred.

Seymour identified pasokification in three steps, as related to Doran:

- the absorption of social democracy into neoliberalism, with the resulting form known as ‘social liberalism’;
- the resulting secular breakdown of the party-base relationship, the loss of party identity and the fragmentation of the class base;
- incorporation of ‘social liberalism’ into an austerity consensus, with the dramatic acceleration of these trends, culminating in a decisive breakdown of the party-base relationship and the effective end of the party as a party of government.¹⁴

The general corrosion of social-democratic values by capitalist realism has been a feature of the left going back to the very first social-democratic governments. So, of the above steps, the emphasis on austerity is the most important for defining pasokification as a *contemporary* phenomenon. Austerity is a response to the economic crisis which social democracy is unable to resolve. Doran clearly identified this contradiction:

“PASOK’s parliamentary leadership had no alternative to the austerity policies required to revive capitalist accumulation. So PASOK followed the line of march set by the previous conservative administration, and by the structures of the capitalist state in Greece”¹¹

Social democracy embodies a contradiction, sitting as it does between labour and capital. During the moment of crisis, this contradiction is brought to the surface and, according to Stuart Hall, social-democratic governments are “committed to finding solutions [to crisis] which are capable of winning support from key sections of capital.”¹⁵

In order to understand this, it is useful to reflect on the period from the mid-1990s to 2008, when social-democratic parties were widely popular across Europe.¹⁶ Their popularity coincided with a drift to the right, as these parties abandoned any pretence to a wider transformative project. For the most part they reoriented their efforts towards poverty-reduction and a social terrain defined by equality of opportunity,¹⁷ absent of any genuine engagement with the labour movement. However, in the conditions of a stable and growing global economy, they were capable of providing meaningful reforms and concessions to the working class.¹⁸

Under New Labour in Britain, this meant a new minimum wage, increased spending on the NHS,¹⁹ smaller class sizes in schools,²⁰ and the renovation of social housing. When the old proponents of the Third Way are brought out to justify their project, they rightly point to these social advances.²¹ The gains of New Labour were often obtained through a process of advance and retreat. For example, the public benefited from new hospitals, and these were built under private finance schemes, which ultimately ran against the public interest. Therefore we see that the contradiction within social democracy remained intact yet obscured. The result is that for the most part it did not cause large social ruptures. The day-to-day administrative agenda under New Labour revolved around technical or moral problems: knife crime, bird flu, childhood obesity, wind farms, fox hunting.

The role of crisis and austerity is the key to understanding pasokification. Symeon Andronidis explicitly made this

connection in Greece, writing that:

“The social, political and electoral fall of PASOK must be connected with the management and stewardship of the deep economic crisis befalling Greece and Europe.”²²

Crisis is what exposes the contradiction of social democracy and renders the negotiation of class compromise impossible. When social-democratic politics can no longer enact redistributive measures through the welfare state, it has nothing to offer the working class. In an extraordinary bid to prop up capital accumulation, social democracy uses its association with the labour movement to “discipline the working class”.^{15,23} This could be seen in the way the Miliband-led Labour Party pleaded with its supporters to accept the austerity consensus.

Along with public austerity, the responses to crisis employed the standard neoliberal technologies of privatisation, deregulation, and enclosure of the public commons.²⁴ These are all features of “accumulation by dispossession”²⁵ and would be familiar to the subjects of IMF structural adjustment programmes in the Third World.²⁶ The important point is that the state was unable or unwilling to chart a route out of crisis which depended on stimulating economic activity through expanded reproduction. There was no option for social democracy to protect public services or welfare systems, because capital sought a route out of crisis which relied on expropriating these public goods. This solution was necessary due to the special nature of the crisis itself; the maelstrom which revealed itself in 2007/08 was not just a temporary blip in the market. By the time Syriza finally replaced PASOK in 2015, it was clear that Europe had settled into a ‘long crisis.’²⁷

Crisis of legitimisation

The crisis in Europe, which up to this point was limited to being only an *economic* problem, now presents itself as a *political* problem. It is normal for the advanced capitalist economies to experience cyclical crashes, and usually they are able to absorb the social fallout. However, the new conditions show that the neutralising capacity of social democracy is broken. Neoliberal, market-oriented solutions were possible and popular in the past; they are no longer applicable in the present. Richard Seymour refers to the contradiction in the Labour Party according to the following logic:

“In so far as the Labour Party adopts neoliberalism, it must seek to win support for these ideas by communicating them in a language acceptable to the working class.”²⁸

The problem is that social-democratic parties can no longer sell the notion of ‘capitalism with a human face’ to a suspicious electorate. They are unable to contain the rift between the hard constraints of intensified neoliberalism, and electoral marketing which promises a better future for working people. In response to market liberalisation in Luxembourg, Jean-Claude Juncker famously remarked that “we all know what to do, we just don’t know how to get re-elected after we’ve done it.”²⁹ This was also observed by Perry Anderson, who described the French Socialist Party as walking a “frayed tightrope between electoral promise and political performance.”³⁰ In Germany, the SPD encountered a similar problem with its *Agenda 2010*³¹ welfare reforms, according to Gerard Braunthal:

“The SPD’s search for fine-tuning the welfare system without losing too many of its voters is a major challenge to its leaders, who have no easy answers as to how to do it.”³² René Cuperus commented that in Greece, PASOK “lacked

the necessary legitimacy to force austerity on its own population.”³³

There is a sense that the neoliberal project has been delegitimised,³⁴ and across Europe the ruling class has had to resort to a series of special and exceptional measures to protect their interests from democratic interventions. This could be seen in 2011 with the brief emergence of technocratic governments in Italy and Greece, both led by unelected functionaries whose support base lay in the institutions of global finance. More recently we've seen the creation of new centrist electoral vehicles which eschew the potentially volatile democratic constraints of an empowered party membership. These liberal praetorians emerged as Ciudadanos in Spain, The Opportunities Party in New Zealand, En Marche in France, or 'Change UK/TIG' in Britain.

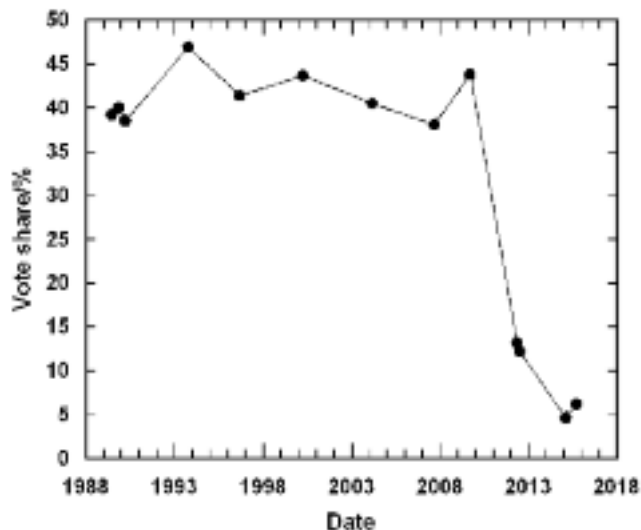
Examples

Having seen how the concept of pasokification originated in Britain, and was applied to the British Labour Party, we should now look at other individual cases of pasokification in Europe.

Greece

PASOK first entered government in Greece in 1981, and for the next three decades its vote share in elections stayed between 38 and 48%. By any measure it was a large, established party which enjoyed consistent popular support. However, after its electoral victory in 2009, the party entered government and began carrying out an austerity programme. This was deeply unpopular, shattering the party's support base and driving it to catastrophe (see Fig 1).

Fig 1. Greek PASOK legislative election results 1989-2015. Date markers refer to 1 January each year.

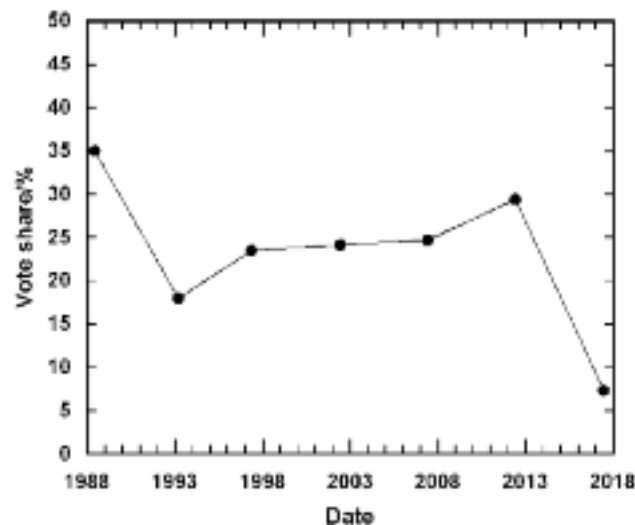


At the following two elections in May and June 2012, PASOK received 13.2% and 12.3% respectively. It emerged from the deadlock as a junior partner in a coalition government led by New Democracy – the main right-wing party. Despite its apparent survival, PASOK was a party whose time was finished, the pact with New Democracy cutting away its remaining popularity. At the 9th Congress in 2013, the party leadership faced public criticism over the coalition deal from its left faction,³⁵ which later split to join Syriza.³⁶ Party staff complained that their salaries had not been paid in a whole year,³⁷ and one former PASOK voter described it as “a corpse”.³⁸ In the next general election two years later, PASOK received only 4.7% of the votes and hit rock-bottom.

France

The second most severe case of pasokification hit the French Socialist Party (see Fig 2). In 2012 the socialist candidate François Hollande won the presidency and the subsequent general elections returned a left majority in the National Assembly along with a socialist-led coalition government. Like PASOK in 2009, Hollande was elected on the back of a promise to find an alternative route out of the economic crisis, one which brought economic growth while also preserving the French social model. Also like PASOK, the French Socialist Party swiftly abandoned this course and in practice opted to continue the neoliberal restructuring of society.

Fig 2. French Socialist Party legislative election results 1988-2017. Date markers refer to 1 January each year.



In 2014 the Socialist Party was damaged in the municipal elections, the socialists and their allies losing 151 towns to the right.³⁹ The only consolation was that Paris remained in the hands of the left. That same year, the deputy responsible for membership, Laurent Grandguillaume, noted that party membership was “on a downwards trend.”⁴⁰ The total membership dropped from around 173,000 at the Toulouse congress in 2012, to around 120,000 at the Poitiers congress in 2015.⁴¹ In April 2016 the number had dropped again to around 100,000;⁴² and in January 2018, ahead of the Aubervilliers congress, the party released a figure of 102,000. This is the official count of people eligible to participate in the congress; the number of active members might be significantly lower.⁴³

The collapse of the French Socialist Party was realised in 2017 through the presidential and subsequent legislative elections. Sensing the mood in the air, the members of the Socialist Party and its allies overwhelmingly voted to present a figure of the left, Benoît Hamon, as their presidential candidate. However, despite his radical credentials and his attempts to repudiate the policies of his predecessors, his campaign was critically damaged by its association with the outgoing austerity government. Hamon was outflanked in both rhetoric and in campaign organisation by Jean-Luc Mélenchon of the ‘France Insoumise’ movement. In the first round of the presidential election, Mélenchon received 19.6% of the vote, meanwhile Hamon received only 6.4%. Shortly after the election, senior right-wing figures in the Socialist Party swiftly defected to take up positions in Emmanuel Macron’s government. Meanwhile, Hamon himself broke away from the Socialist Party to form a new grassroots movement called Génération.s.

Failure in the presidential contest was followed up by a

similarly disappointing result from the legislative election in June 2017. The Socialist Party's 'New Left' group in the National Assembly only won 31 seats, down from that group's governing majority of 295 seats in 2012. To put this in context, FI, the PCF, and their allies collectively hold 33 seats. After the election, the Socialist Party was forced to put its headquarters in central Paris up for sale in order to pay off debts from the campaign.⁴⁴

To summarise: since 2012 the Socialist Party lost a large portion of its membership, lost control of municipal government across France, lost the presidency, lost its majority in the National Assembly, and ended up in financial difficulty. This presents the worst-case scenario for pasokification.

Holland

In the Netherlands, the pattern of pasokification repeated itself with the Dutch Party of Labour (PvdA). When the PvdA arrived at the 2012 general election it had a fresh new leader, and was challenging an incumbent government led by the conservative People's Party for Freedom and Democracy (VVD). The VVD was seeking a mandate to subject the economy to more intense neoliberal measures, and the response of the PvdA was one of caution, that austerity was necessary, but only 'within reason'.⁴⁵ The PvdA had already undergone the turn towards the 'Third Way' in 1994⁴⁶ and by 2012 it had no pretence to a robust socialist alternative. Its election platform was complete with moderate centre-left policies, as described by Corinne Deloy:

"Cancellation of the increase in VAT, a 60% tax on revenues over €150,000, the restructuring of the banking sector, the restriction of bonuses, the creation of a national investment bank for SMEs."⁴⁷

Opinion polls for the PvdA in the run-up to the 2012 election were dismal, but on voting day the party bounced back: it received a respectable 24.8% of the votes and came second only to the VVD on 26.6%. With this result, the PvdA proceeded to join the VVD in government, and they agreed on a coalition deal which committed them to supporting the VVD's programme of austerity⁴⁸ – which is where the decline began. Gordon Darroch described the problem:

"Samsom [leader of the PvdA] had promised a 'social way' out of the recession; in practice the economy recovered, but society became more polarised and fragmented. And the voters who had rallied behind the party in the summer of 2012 simply drifted away."⁴⁹

In government the PvdA went along with reforms to meet the needs of the market, but as a consequence they lost their popular appeal. A profile of the PvdA finance minister Jeroen Dijsselbloem characterised his administration as "dreamless, managerial, suit-and-tie progressivism."⁵⁰ The party gave off an image which was technocratic and devoid of political vision, and failed to invigorate the public.

The PvdA began a downwards spiral in the opinion polls shortly after the election. From late 2012, public support for the party dipped from ~26% down to around 10% in late 2013.⁵¹ The party's fate was compounded across the provincial elections in 2015, when it won only 63 provincial seats, down from 107 in 2011. Next, in the 2017 general election the PvdA vote fell to 5.7%, and its parliamentary representation was cut from 38 seats to just 9. In both provincial and general elections, the PvdA was overtaken by the Socialist Party, an ex-Maoist party with more consistent left politics.

Year-by-year counts of party membership are publicly available for Dutch parties which receive government funding. PvdA membership was fluctuating at between 147,000 and 94,000 from 1947 (the year after it was founded) through to the late 1980s. In 1986 it began a gradual decline, from its last peak of 103,760 members in 1986 to 42,416 members in 2019.⁵² Becker and Cuperus place the shedding of members in line with a similar general trend in the Netherlands and Europe as a whole.⁵³ This means that the PvdA's steady loss of members is too slow to identify it as a specific symptom of pasokification, but that may have exacerbated problems in the party overall.

At the end of 2012, the Dutch Party of Labour was in government and was the second-largest party in parliament. At the end of 2017 the party had lost its government positions, lost a significant number of seats in provincial elections and was relegated to a minor player in the House of Representatives. The final, and most critical result, is the PvdA's loss of its credibility as "the only responsible, experienced, large left-wing party."⁵⁴ The effect of pasokification was to shatter the aura of electoral invincibility hanging over the large social-democratic parties.

Criticisms

For a concept which has attracted significant attention, pasokification has also attracted significant criticism. Marina Prentoulis pointed out that people have been predicting the end of social democracy since the 1990s and to her, pasokification is ahistorical.⁵⁵ This fits with the idea that PASOK was a special case, apart from other parties. Greece was an extraordinary situation, with an extraordinarily corrupt party. For Prentoulis the concept falls apart once it fails to explain the unique national contexts which frame the collapse of each party. For example, in 2017 both the German and Austrian social-democratic parties faced legislative elections after a period in which they had both participated in broad governing coalitions with the conservative right. Yet, in Germany the centre-left vote dropped to a historic low, while in Austria the centre-left vote didn't budge. So, the fate of social-democratic parties is not preordained; rather they are subject to general conditions and pressures which can be negated by particular circumstances. This is not to say that social democrats should place their faith in the regular tick-tock rhythm of the electoral swingometer; as the experience of the last decade shows, a large and begrudgingly loyal voter base cannot be taken for granted.

The question remains, whether pasokification is statistically an observable trend, or just the case of a few spectacular outliers. The effect is clearest in Southern Europe, where the average centre-left vote share dropped from 36.3% in 2001-2008 to 21.4% in 2008-2017.⁵⁶ However, if you look at every national election in Europe from 1997 to 2017, the average social-democratic vote share only drops around 5 percentage points.⁵⁷ While it is trending downwards, the overall situation is not a complete wipe-out.

Another criticism of the concept of pasokification is that it is insufficiently attentive to social movements and industrial activity; that it is focused on partisan politics and tends to measure success through elections. Elections are still good indicators of popular support, but they are clumsy tools for describing the overall balance of class forces. A politics oriented around polling figures generally reflects the marketing-driven attitudes of right-wing social democracy. By contrast, the labour movement is often keen to emphasise the relationship between parliamentary and extra-parliamentary action, summed

up according to the principle “one foot in parliament and a thousand in the streets.”⁵⁸ Failure in national elections does not necessarily translate into a defeat in the workplace, or in the communities.

David Osland argued that the idea of pasokification is promoted in bad faith by a desire to see Labour fail, and a pessimistic outlook on what would happen if it did.⁵⁹ For Osland, a wounded Labour Party would drift rightwards, and the failure of a unified left alternative force would compound that drift across British politics. Doran responded to this criticism, firstly reiterating his position that pasokification of Labour would not be “a desirable outcome for our class.”⁶⁰ He also wrote that “talk of pasokification is not yearning for our party’s demise, it is a warning that implementing austerity will kill it.”⁶¹ This argument is becoming less relevant in hindsight. It is clear now, with the Labour Party committed to a socialist programme, that pasokification has been overcome in Britain for the time being.⁶²

The last comment on pasokification refers to how we think about differences within social democracy. To some on the socialist left, there is nothing new about social democrats acquiescing to austerity policies. What we now call social liberalism would be nothing more than a rebranding of old right-wing social democracy. This particular attitude is sometimes deployed against left-reformism: Bernie Sanders, Corbyn, Syriza, Podemos, all illusions destined to distract and disappoint the working class. There is some truth in that, as the historic role of social-democratic parties has been to back down at the moment they are forced to confront the power of capital. However, we cannot claim that Labour’s commitment to social democracy is a single homogeneous position. There is a very open battle taking place within the party between right-wing and left-wing tendencies, and the reality is that Labour today is radically different from the New Labour of the past. Corbyn is not Blair. This is not a superficial difference, and it requires us to engage positively with the project for a left-led Labour government.

Conclusion

The economic crisis in Europe has produced a political crisis of social democracy. Across the continent the vote share of social-democratic parties is ebbing away. In the most severe cases parties have collapsed dramatically, while others were only wounded. Capitalism in conditions of crisis cannot deliver welfare to the population. Since a neoliberal social democracy is unable to solve this problem, voting populations will abandon it in favour of alternatives.

Pasokification presents both a setback as well as a moment of potential for the left. What will come after the crisis? On what basis will social democracy return to the fore? And how could we stop this sorry situation from repeating itself?

Acronyms and Abbreviations

PASOK - Panhellenic Socialist Movement
 PvdA - Partij van de Arbeid
 TUSC - Trade Union & Socialist Coalition
 UKIP - United Kingdom Independence Party
 SPD – Sozialdemokratische Partei Deutschlands
 SME - Small and Medium-sized Enterprise
 VVD – Volkspartij voor Vrijheid en Democratie
 VAT - Value-Added Tax
 TIG - The Independent Group
 IMF - International Monetary Fund
 PCF – Parti Communiste Français
 FI - La France Insoumise

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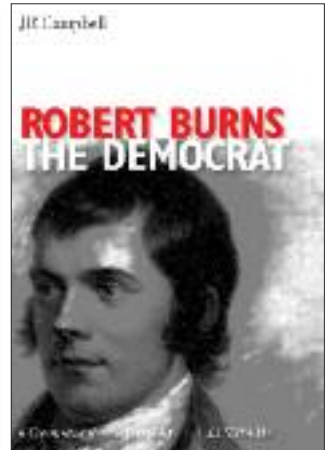
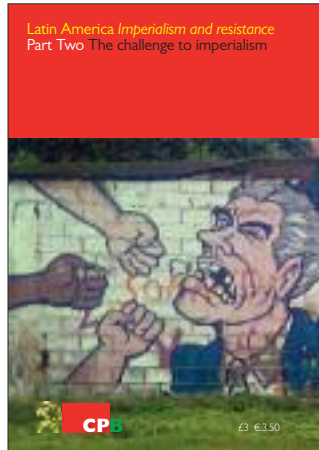
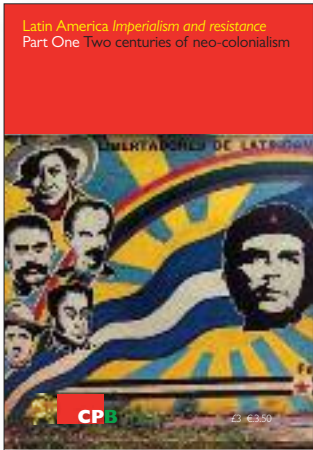
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C RITCHIE ECONOMICS AND SUICIDE



Dedication: for Lola and Rab

In 2018, a dedicated militant anti-fascist comrade committed suicide, having suffered prolonged depression and harassment by cops and the far right. A little earlier, a relative, recently graduated from university with an assured, bright future, took his own life following severe bouts of mental illness.

Introduction

One of Marx's lesser known works is his 1846 translation and annotation of a memoir by Jacques Peuchet, a police archivist who collated records of suicides in Paris in the early 19th century. Many of those who killed themselves did so because of financial as well as psychological troubles. As with any record of suicides, the reasons and methods are diverse but a larger context emerged.¹ Peuchet and Marx were unequivocal: "The yearly toll of suicides ... has to be regarded as a symptom of the deficient organisation of our society." Marx quotes a Madame De Stael who "attempted to show that suicide is an act contrary to nature," while he argued the opposite:

"Suicide is in no way contrary to nature, since we witness it daily It is in the nature of our society to produce many suicides."

Although De Stael said that "to fight despair is more worthy than to succumb to it," Marx states that "such arguments little affect souls which are overwhelmed by misfortune." That is, while it may seem noble for potential suicides to "fight despair", many of them lack the capacity to do so and are devoid of any feelings of self-worth. Marx uses Peuchet to underscore the relationship between economics and suicide and that many of those who killed themselves did so because of financial difficulties:

"In times of industrial stagnation and its crises, in times of high food prices and hard winters, this symptom always becomes more prominent and takes on an epidemic character."

One ex-soldier left a suicide note saying that "since he could no longer be useful to his family and was forced to live as a burden to his wife and children, he saw it as his duty to take his life and free them from this added burden."² Such is the selfishness of suicide.

"One has killed [himself] to avoid the enormous costs and the demeaning persecution in financial difficulties One has killed [himself] because [he] cannot find work."³

Peuchet found causes in

"dismissal from office, refusal of work, or a sudden drop in income, in consequence of which these families could no longer obtain the necessities of life, all the more so since most of them live from hand to mouth."⁴

However, it is conceded that

"[a]lthough penury is the greatest source of suicide, we find it in all classes, among the idle rich, as well as among artists and politicians."¹

Although there is little else to illustrate Marx's personal relationship to suicide, two of his daughters committed suicide

some years after his own death. The death of Eleanor, his favourite, in 1898, is considered by Yvonne Kapp⁵ to have been triggered by the belief that she was no longer needed by anyone or anything – neither her partner Edward Aveling, nor the working-class movement. Marx's remaining daughter Laura made a suicide pact with Paul Lafargue⁶ in Paris, 1911: the main speaker at their joint funeral was Lenin.

Suicide: Some causes

The rationalisation of the irrational act of suicide, or its rational opposition, goes back to the Ancient Greeks. Aristotle wrote that "to kill oneself as a means of escape from poverty or disappointed love or bodily or mental anguish is the deed of a coward";⁷ although the comparison of poverty and "mental anguish" with lost romantic love seems somewhat imbalanced. Epicurus was more succinct: "He is utterly small-minded for whom there are many plausible reasons for committing suicide."⁸ Later Stoics and Epicureans thought suicide was justified "where there was terminal illness or unremitting pain."⁹ It is important to see "unremitting pain" as psychological as well as physical. Alcohol and drug abuse are seen as both cure for and cause of "mental anguish" and are often the main reasons and methods of suicide nowadays.

During feudal times in Britain, suicides were put on trial:

"Those who committed suicide were tried posthumously by a coroner's jury. If they were convicted as having murdered themselves, all their goods, including all household items and money and debts owed to them, were forfeit to the Crown or the Crown's Agent."⁹

The punishment for families was severe: guaranteed poverty. The loss of labour power and potential taxes was recuperated by the ruling classes:

"The King's Council ... [enforced] those laws where there was a direct financial benefit to the Crown and government. Since [suicide] meant that goods and households were forfeit, the Court of Star Chamber had a great deal of interest ensuring that the verdicts were thoroughly carried out and the penalties exacted."¹⁰

Although David Hume wrote that "the life of a man is of no greater importance than that of an oyster"¹¹ it didn't stop the Crown seizing the pearls. The practice was repealed in 1870.

50 years after Marx's interpretation of Peuchet, Emile Durkheim published *Suicide: A Study In Sociology* (1897) in which he wrote that "[it] is a well known fact that economic crises have an aggravating effect on the suicidal tendency."¹² He proposed four distinct types of suicide that were based on varying degrees of integration, alienation, and regulation within social groups. Durkheim's fourth category, *anomie*, is the most relevant here, caused by crises and large-scale changes in an individual's life such as sudden unemployment, homelessness or poverty. Durkheim tried to establish a link between income and suicide, asking whether the needs of an individual can be met by their means: if so then a state of "equilibrium" could be maintained, if not, then individuals can find themselves in a precarious position.

"No living being can be happy or even exist unless his needs are sufficiently proportioned to his means. In other words, if his needs require more than can be granted, or even merely something of a different sort, they will be under continual friction and can only function painfully."¹³

But wealth does not negate suicidal urges and happiness is contingent on more things than wealth, and secure relationships with family and friends do not guarantee a life free from depression. Many people who live in pleasant circumstances commit suicide, not because of a lack of material comfort but because they lack chemical balance. Durkheim wrote, not overtly convincingly, that

“[So] far is the increase in poverty from causing the increase in suicide that even fortunate crises, the effect of which is abruptly to enhance a country’s prosperity, affect suicide like economic disasters.”¹⁴

If this is so, we would need to know who was committing suicide and how much they had actually benefited from this rise in economic prosperity. Any economic boom has much less impact on working-class wages than on the rich. That is, a 10% increase on high-end salaries will be much more significant than a similar increase of 10% on the lowest wages. The poor are poor however much the rich get.

“In France, on the eve of the [French] Revolution, the turmoil which shook society with the disintegration of the older social system took shape in a sudden rush of suicides.”¹⁵

It is likely that those with the most to lose – property, money, power, status – inflated the tally. Durkheim also found that “the French Revolutions of 1830 and 1848, were accompanied by a decline in suicide” and that

“All the revolutions which have occurred in France during this century reduced the number of suicides at the moment of their occurrence.”¹⁵

This could have been because the majority of those most likely to commit suicide – the impoverished and the sick – saw that a better future could be possible through social revolution.

Durkheim writes later that “when the price of the most necessary foods rises excessively, suicides generally do the same.”¹⁶ That is, when the main staple of the poor becomes unattainable, the poor die hungry.

“In Vienna, in 1873, a financial crisis occurred which reached its height in 1874; the number of suicides immediately rose.”¹²

Again, who would be the most affected by financial crisis, and was the increase in suicide among the rich? The poor are always the worse off during economic downturns but benefit most from revolution and liberation from feudalism and capitalism.

Marxism, Surrealism and Suicide

On 18 June 1935, French communist writer and former surrealist René Crevel committed suicide, leaving a note saying “Please cremate me. Disgust.”¹⁷ This is retrospectively unsurprising: when Crevel was 14 his father had hanged himself and he became fatally preoccupied with suicide. He was not the only modernist poet to do so: Jacques Vache (1918) and Jacques Rigaut (1929) committed suicide as did Russian poets Velimir Khlebnikov (1922), Sergei Essenin (1925) and the revolutionary communist Vladimir Mayakovsky (1930).

In 1925, an article in the first edition of *La Révolution surréaliste* asked “Is Suicide a Solution?” to which various members and associates discussed their attitudes. Although the article was intended to be provocative, the responses were illustrative. Crevel answered, “a solution? Yes,” whilst Mathias

Lübeck was more doctrinaire: “My only incompatibility of humour is with economic capitalism and my solution was laid out by Marx and Lenin.”¹⁸

The homophobic André Breton had expelled Crevel from the surrealists because of his sexuality, and Crevel joined the French Communist Party (PCF) as did fellow surrealists Louis Aragon, Benjamin Peret, Luis Bunuel and Pablo Picasso. In an era of ideological struggle, global depression and mass unemployment, Breton would not abandon the subjective esoteric elements that defined the surrealists: their radical aesthetics did not cohere with radical class politics.

Surrealism contradicted Marxist critic Georg Lukács’ edict that art’s role was essentially “realist”.¹⁹ Lukács did not like the naturalism of Emile Zola’s epic novels, which included “five completed suicides” and “mentioned [suicide] on more than 20 further occasions.”²⁰ However, we must not subtract the influence of the surrealists on 20th century culture: their provocative dandyism and outrageous gestures may have meant little to revolutionary class politics but their rebellious spirit continued through popular culture from film to advertising.

Walter Benjamin, an unorthodox Jewish Marxist, escaped Hitler’s Germany in 1932, and kept slightly ahead of the advance of Euro-fascism.²¹ Benjamin, like so many other writers and artists in the 1920s, became fascinated by the possibility of surrealism, but at the same time “professed his commitment to Communist Party politics.” In the late 1920s, as some of the surrealists unmoored themselves from extremist aesthetics in order to align with the French communists, Benjamin was almost going in the opposite direction, trying to develop a hybrid of “theology and communism” from “metaphysical, historical-philosophical, and theological sources.”²² In 1940, Benjamin became stranded in France and attempted suicide in Nice, then after recuperating tried to escape over the Pyrenees to find a ship to America. He was prevented from crossing into Francoist Spain from Vichy France and committed suicide in despair at the border in 1940.

Unemployment and Suicide

“Social facts must be studied as realities external to the individual.”²³

Suicide cannot be separated from social facts, and social facts cannot be separated from economics. Erwin Stengel discussed *anomie* in relation to economic crises and found that:

“the suicide rate among the unemployed was much greater than among the corresponding employed population ... it would appear that the unemployed experience in an exaggerated form the disturbance found in all classes at times of economic upheaval. The latter is the common factor causing both suicide and unemployment and so, in some measure, accounting for the association between them.”²⁴

Kay Redfield Jamison writes that although there is “no consistent strong relationship between unemployment and suicide ... heavy drinking, mental illness, and personality disorders all contribute to unemployment.”²⁵ Mark Williams concurs:

“Unemployment is undoubtedly an important additional stress on people, but we must be careful to be sure that the relationship is not caused by other factors (eg drug abuse) that predict both unemployment and attempted suicide.”²⁶

It is not just the unemployed who are vulnerable:

“Suicide is more common among those members of society most affected by economic downturns: semi-skilled and unskilled manual workers.”²⁷

but

“the highest risk of all [is] carried by those with no occupation.”²⁸

Currently, it is difficult to assess completely the number of unemployed because there is a fluid population of workers in the gig economy – those on zero-hour contracts or undocumented people in and out of employment. Their lack of stability, uncertain futures and grey area-operations are hardly conducive to Durkheim’s “equilibrium”. Many who are unemployed or on disability benefits lack the funds necessary for socialising within their communities and can thus become isolated; and the longer the period of unemployment, the less likely it seems to have an end. Their means have been politically determined not to meet their needs, so they live in an intolerable state of ‘disequilibrium’, with poverty, poor living standards and a bleak future pushing them towards depression. For them, even employment may be no salvation as work has its own risks: low wages, poor work conditions and job insecurity can all contribute towards an uncertain future and further disequilibrium.

We need to be aware of the blurring between wants and needs, of the artificial and the necessary. Needs are essential: food, shelter, warmth, clothing and a degree of financial stability. Meeting basic needs becomes increasingly difficult when dealing with unemployment, poverty, or physical and mental illness, all of which contribute to suicide rates. Depressed or suicidal people face severe difficulties in making or acting on even the simplest decisions. A lot of time, effort and perseverance is required to contact agencies that can help, and even then services can be oversubscribed and underfunded; appointments may be made for many weeks ahead then forgotten, ignored or deemed impossible to attend.

In 21st century Britain, unemployment, poverty, alcoholism, drug abuse, physical and mental illness and suicide have a complex and interdependent relationship: unemployment leads to poverty, and stress affects mental health. It is unsurprising that many people self-medicate with alcohol and drugs, which affect physical and mental well-being, and which can lead to suicide. In 2013, Tory austerity policies tried to push the unemployed off benefits and into low paid jobs even though this would mean a drop in family incomes; and ATOS and Capita were both contracted to reduce the number of the most vulnerable on disability benefits. It is impossible to determine the exact number of suicides per year that have been directly caused by benefit cuts; but we know that attempted suicides by disability benefit claimants more than doubled after the introduction of the fit-to-work assessment,²⁹ and Universal Credit is linked to increased suicide risk.³⁰

To cut away their usually inadequate benefits for whatever reason – refusing unsuitable jobs, unfair ability assessments, legal and lifestyle problems – is to increase the likelihood of people taking their own lives. Existing on benefits is difficult enough; but for some existence becomes impossible after being denied even these basic handouts.

Conclusion

Marx asserted that there was a connection between economics and suicide and we have seen this in several different contexts. Many who lived in extreme poverty have taken their own lives; but Durkheim also found that the suicide rate went up in times

of revolution and financial crises, and it is not unlikely that those with the most to lose – money, status and power – pushed up the statistics. It is also clear that those who struggle with difficulties, not just financial but physical and psychological, have always been vulnerable to suicide. Although economic problems affect many different individuals adversely, they are actually part of the larger crisis of capitalism: the banking collapse of 2008 has impacted on millions of lives through sustained austerity policies over the last decade. 21st century Britain is the 5th largest economy in the world but there is an enormous disparity regarding the distribution of wealth and the care of high-risk individuals.

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MICHAEL ROBERTS

HM ATHENS: GREEKS BEARING GIFTS

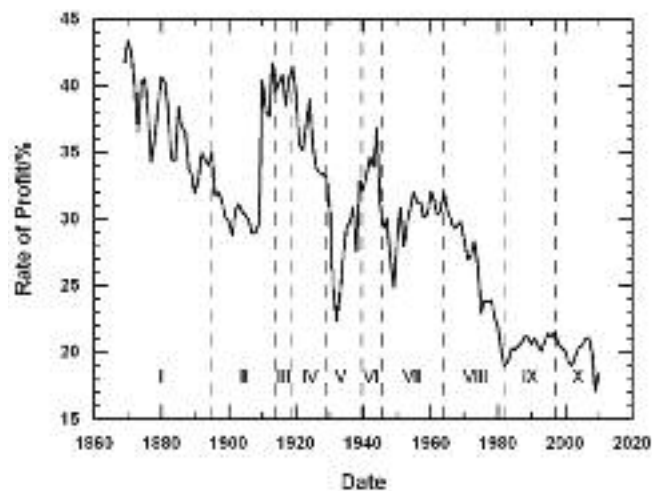
THE FIRST Historical Materialism conference held in Athens in April 2019 was very well attended – making it the biggest of such events in southern Europe and with mostly younger attendees. As is usual with HM conferences, there was a plethora of papers and sessions on all sorts of subjects around the theme of the conference, ‘Rethinking Crisis, Resistance and Strategy’. It is not possible to review these in this article. Indeed, I am not even able to consider some very interesting papers in the political economy sessions in this review.

I am going to concentrate on the issues raised in the plenary session where I spoke on the subject of Marx’s relevance to contemporary capitalism. I was on the platform along with John Milios, Professor of Political Economy at the Technical University of Athens and the author of many books on Marxist economy theory; and Costas Lapavistas, professor of political economy at SOAS, London. Both John and Costas were also former Syriza MPs during the Greek debt crisis but broke with the Syriza leadership when the latter capitulated to the Troika.

The contributions from the platform and the floor emerged as a debate on the causes of crises in capitalism in the 21st century. John Milios’ subject was Marx’s theory of finance in the light of the ‘financialisation’ of capitalism in the neoliberal period. Costas Lapavistas’ address was similar. Both considered financialisation as the key to current crises in capitalism. In contrast, I argued that the Marx’s law of the tendency of the rate of profit to fall lay at the heart of crises in capitalism and the new developments in finance capital, and the global financial crash and the ensuing Great Recession were reactions to that law.

In my presentation,¹ I argued, in contrast to some Marxists, that Marx did have a coherent theory of crises under capitalism (by that I mean recurrent and regular collapses in investment, production and employment). It was based on his law of the tendency of the rate of profit to fall. Moreover, I argued that it was not just enough to interpret Marx’s theory of crisis from his writings and ascertain their relevance; we had to be scientific and test the theory empirically. I claimed that Marx’s law of profitability was empirically valid, with a host of statistical studies showing this to be the case. The evidence from many authors showed that the profitability of capital did fall over time, though not in a straight line as there were periods of rising profitability after major depressions or wars which had destroyed the value and use of ‘dead’ capital (see Fig 1). Indeed, this is what the recent book, *World in Crisis*,² co-edited by myself and Guglielmo Carchedi, and containing the empirical work of authors from Europe, North and Latin America and Japan, shows.

Fig 1. Rate of profit 1869-2010. Date markers refer to 1 January in each year. Key to labels: I – Long Depression; II – recovery; III – war; IV – recovery; V – Great Depression; VI – war; VII – ‘Golden Age’; VIII – profitability crisis; IX – neoliberal recovery; X – new crisis/depression.

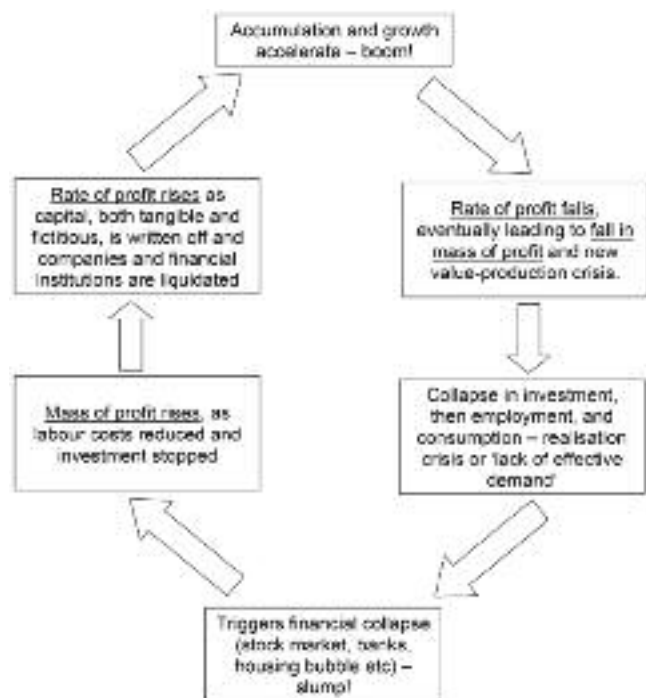


Actually, Greek political economy has offered the most important gifts in this empirical confirmation of Marx’s law of profitability and theory of crises. In *World in Crisis*, Maniatis and Passas conclude that “the claims of certain Marxists that the present crisis is not a crisis of profitability seem to be unfounded.”³ In a separate publication, Economakis, Androulakis and Markaki say that “The Greek crisis resurfaced due to the low profitability of capital, a result of a rising OCC”;⁴ while Mavroudeas and Paitaridis remark that “the 2007-8 economic crisis is a crisis *à la* Marx (*ie* stemming from the tendency of the profit rate to fall – TRPF) and not a primarily financial crisis and this represents the ‘internal’ cause of the Greek crisis.”⁵ And even more recently, Tsoulfidis and Paitaridis⁶ state that “The falling net rate of profit is responsible for this new phase change, the Great Recession.”

From the floor, Professor Michael Heinrich criticised my support for all these empirical gifts that show falling profitability of capital over time. He reckoned that official statistics were so dubious that the results of these many authors could not be relied on. Indeed, he said, it may be impossible to use official statistics at all. Professor Heinrich then argued, as he has done before,⁷ that Marx probably dropped his law of profitability in his later years as he never mentioned it in relation to the contradictions in capitalism

after 1875. Readers will know I dispute this claim.⁸ Heinrich also reckoned that just showing profitability falling did not prove that such a fall was based on Marx's law (ie through a rising organic composition of capital overcoming any counteracting factors that might raise profitability like a rising rate of exploitation or a cheapening of machinery etc).

Fig 2. The profit cycle.



But most important, Marx's law of profitability is not just a secular or long-term gradual thing that has no relevance to the cycle of crises in capitalism. The law is both secular and cyclical. When profitability falls to such a point that the mass of profit and even total new value stops rising, a collapse in investment and output ensues. When capital has been reduced (closures, mergers, layoff of labour) sufficiently to restore profitability, then production recovers and the whole cycle begins again. This is the cycle of profitability that explains regular booms and slumps in modern capitalist economies (see Fig 2).

Capitalism is a profit-making economy so it is profit and profitability that decides investment, then output and employment. The Keynesians say it is the other way round; investment leads profits. But this is back to front.¹² In my presentation, I offered causal empirical evidence (not just correlations) that profits lead investment, not vice versa.

I argued that Marx's law of profitability is the underlying cause of recurrent and regular crises. In his summary, Costa Lapavitsas exclaimed that how could anyone justify that "all the features of capitalist crises can be attributed causally to changes in the rate of profits with just 70 years of changes in profitability stats?" This accusation of 'monocausality' has been levied before at the law of profitability as the foundation of crises – see my debate with Professor David Harvey.¹³ But this accusation does not recognise that there are different levels of abstraction in any scientific analysis of empirical events.

There are *proximate* causes (at the surface, contingent at the time); but beneath that are *ultimate* causes (laws) that explain the *recurrence* of similar events. Weather can vary from place to place, even within a few kilometres, but the recurrence of rain in an area can be explained by its longitude, the season,

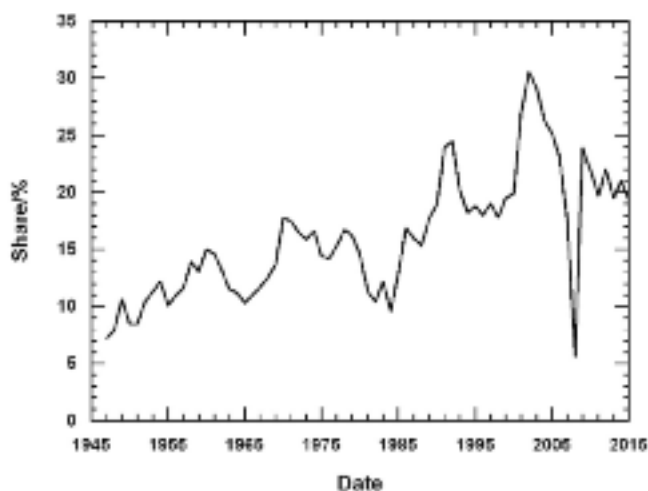
and whether it is near the sea or up a mountain. There are laws for weather. Weather varies but it keeps coming back!

Each crisis in capitalism may have a different trigger; eg the 1929 crisis was triggered by a stock market crash; 1974 by a hike in energy prices; the same with 1980-2; and of course, the Great Recession was triggered by the bursting of the housing bubble in the US and a credit crunch spread by the use of credit derivatives and other exotic instruments of financial "mass destruction" (Warren Buffet). But the regularity and recurrence of these crises requires a more general explanation, a theory or law.

Indeed, it was the profitability crisis of the 1970s in all the major capitalist economies that led to the neoliberal period of deregulation of finance and cheap money to enable banks, financial institutions and non-financial companies to engage in speculation in financial assets so that profits from speculation in the stock and bond markets (what Marx called fictitious capital) was a counteracting factor to the low profitability in the productive (value-creating) sectors of the capitalist economies. And as profitability still remains low despite the Great Recession, the advanced capitalist economies are now locked into a Long Depression of low investment, productivity and trade, while debt, particularly corporate debt, keeps mounting. Such was my thesis in a nutshell. But this was disputed by Milios and Lapavitsas. John Milios argued that finance had always been at the centre of the circuit of capital. Capital has a Janus head, namely one side was the capitalist as a functioning productive investor extracting value from labour power; and on the other side was the capitalist as a lender of money for investment. But in the neoliberal period, the latter half of Janus had now become dominant or both sides had merged. This has bred an instability, inherent in finance. "Financialisation" of capitalism in the neoliberal period since the early 1980s now creates the conditions for crises. Indeed, he said, "it was the financial crisis in the Great Recession that led to the fall in profitability", not vice versa.

Costas Lapavitsas seemed to offer a similar conclusion. For Costas, capitalism was now in a second phase of financialisation. The first was in the late 19th century when German and Austrian banks provided the finance for Austro-German capitalist industry to emerge. Then it was a capitalism dominated by the finance capital of the banks, as the Marxist Hilferding¹⁴ explained. But now capitalism is in a second phase of financialisation, where non-financial corporations and non-bank institutions provide credit or raise debt through bond and equity issuance.

Fig 3. Share of financial sector profits in total US corporate profits, 1947-2015.



Financial profits as a share of total profits (at least in the US) rocketed to over 30% in 2002 and – apart from the drop in 2008 – have since then remained much higher than in the 1970s (Fig 3). Costas showed that debt had also risen dramatically, particularly public debt. This had happened because of the deregulation of finance and the switch by banks and other entities from providing funding for productive capital to “secondary exploitation” of the working class through loans and mortgages and control of workers’ savings in pension funds.

This secondary exploitation, if not the major, was the “crucial” form of profit now. It was this financialisation and secondary exploitation that explains the global financial crash and Great Recession, not Marx’s law of profitability.

Now I have discussed both the theses of financialisation and secondary exploitation in several previous posts.^{15,16} But the gist of my argument against the theses of Milios and Lapavistas is that they have been mesmerised by the appearance of things on the surface and have ignored the underlying causes beneath. Yes, there has been a significant rise in financial profits and debt, not just public debt, but more important, corporate debt.

Indeed, in my earlier book, *The Great Recession*,¹⁷ I highlighted these very facts (rising financial profits) as indicators of the coming crash and slump (in 2006, I forecast a crash for 2009-10 – but I was wrong, it came in 2008-9).

Where I disagree with the financialisation thesis is when it wants to replace Marx’s law of profitability with the post-Keynesian theory of financial instability as the cause of crises. But crises in capitalism predate the 1980s: was the late 19th century depression a result of financial instability for excessive speculation in financial assets? No. Was the Great Depression of the 1930s also? No. In a chapter in *World in Crisis*, G Carchedi shows that there have been increasing financial crises since the 1980s, but they did not lead to an investment and production collapse, unless they were accompanied by a fall in productive profits too.¹⁸ It was the latter (still 60% of all profits at the height of the financial boom of the early 2000s) that was “crucial”, not vice versa.

As Carchedi points out, “the first 30 years of post-WW2 US capitalist development were free from financial crises”. Only when profitability in the productive sector fell in the 1970s, was there a migration of capital to the financial unproductive sphere that during the neoliberal period delivered more financial crises:

“The deterioration of the productive sector in the pre-crisis years is thus the common cause of both financial and non-financial crises ... it follows that the productive sector determines the financial sector, contrary to the financialisation thesis.”

Marx’s law of profitability explains the role of credit and debt in a capitalist economy.¹⁹ Credit is clearly essential to investment and the accumulation of capital but, if expanded to compensate for falling profitability and to postpone a slump in production, it becomes a monster that can magnify the eventual collapse. Yes, financial fragility has increased in the last 30 years, but precisely because of the difficulties for global capital to sustain profitability in the productive sectors in the latter part of the 20th century.

Indeed, much of the rise in financial profits and credit in the period leading up to the global financial crash was based on fictitious capital and thus fictitious profits. When Costas said in the plenary “What was capital gains if it was not

profit?” he broke from Marx’s view that such gains are fictitious as they are really based on speculation, not exploitation. And in the Great Recession, these gains disappeared like water in the desert of the collapse in the profits of productive capital.

Marx did talk about “secondary exploitation”,²⁰ namely the extraction from the value of labour power by gouging workers’ wages, through interest on loans, various commissions on savings etc. But the key point is that this was not an alternative form of surplus value. Value can only be created by labour power, and surplus value (overall profit) can only be extracted from the labour power of workers in those sectors that add new value. If then bankers and others extract for profit a portion of workers earnings by loans etc, or take a portion of capitalist profits through interest and speculation, that is not an extra creation of value, but a redistribution of value. At least, that is Marx’s law of value.

For me, that banks and other financial institutions have got profits from this “secondary exploitation” does not mean that there is some new stage in capitalism where profit from productive investment has been replaced as “crucial”. Similarly, the increase in financial profits as a share of total profits and the rise of corporate debt and speculation in fictitious capital does not mean that capitalism is in new stage of financialisation, replacing ‘old-style’ 19th century industrial capitalism. As I said in summarising my presentation:

“‘Financialisation’ and/or rising inequality and/or debt are not alternative causes of crises but are themselves explained by Marx’s law of profitability. The Great Recession was a Marx, not a Minsky, moment.”²¹

In that sense, my Greek friends on the plenary platform were not delivering new gifts but a Trojan horse to Marxist economic theory. By reckoning that it is the finance sector that causes instability and crises, and not the capitalist sector as a whole, particularly the productive value-creating sectors, supporters of ‘financialisation’ open the door to reformist policy solutions along Keynesian lines. This version of ‘Rethinking the Crisis’ leads to the wrong strategy, in my view.

Costas Lapavistas courageously offered the meeting some policy solutions for ending financial crashes and “secondary exploitation”. He said we needed to start at the level of “national state intervention” through “popular sovereignty” based on “democracy”. Then we should introduce capital controls to stop the flight of capital and protect the value of the currency. Then we should set up public banks and a national investment bank.

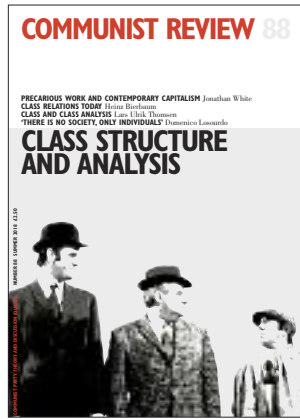
For me, this programme falls well short of taking control of any capitalist economy so that we can plan production and investment and reduce the power of the market and the law of value. Ending or curbing “secondary exploitation” and financialisation by regulating capital flows and the finance sector is not going to be enough.²² A socialist policy must go further than “popular sovereignty” and “democracy”. It means taking over the productive sectors of a capitalist economy from the owners of capital and breaking the law of profitability. That would be real popular sovereignty.

■ This article is adapted from a blog of the same title at <https://thenextrecession.wordpress.com/2019/05/06/hm-athens-greeks-bearing-gifts/> and is reproduced by permission of the author.

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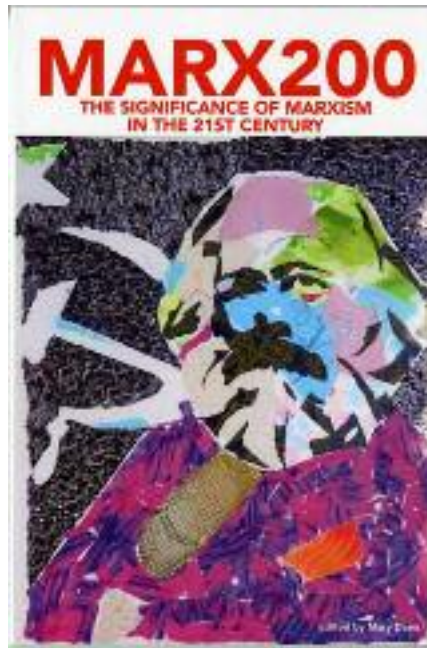
Marx200: The significance of Marxism in the 21st Century
Edited by Mary Davis
[Praxis Press, Glasgow, 2019, 124 pp, pbk, £10.00, ISBN 978-1-899155-09-5. Order online at <https://www.marx-memorial-library.org.uk/product/marx-200>.]

Review by Martin Levy

THIS COLLECTION of essays arose from the Marx Memorial Library's 'Marx200' conference, held in London on 5 May 2018 to mark the bicentenary of Marx's birth. It consists of an introduction by Mary Davis, and 16 contributions from conference speakers, and is an "attempt to throw some light" on the two related questions explored there: is Marxism a living theory which enables us to understand social reality? and does it, as practice, help to change our world?

The range of themes covered is extremely broad, including: political economy; working-class action; women, class and gender; Marx's historical method; modern technology and artificial intelligence; culture; and the environment. This demonstrates the continual relevance and vitality of Marxism as a self-consistent approach to tackling today's problems. A strength of the book, in terms of the breadth of appeal, is that more than half the contributors are not communists.

A major weakness of the British labour movement is its pragmatism. Theory, it is widely regarded, is academic, and thus not for the likes of ordinary workers. There are contributions in the book which demonstrate not only that theory is essential, but that Marxism is approachable and relevant. However, it is a great pity that among the authors



there is only one active trade unionist, FBU Scottish secretary Denise Christie (curiously not listed in the author biographies); and that in her article – a graphic description of the impact of neoliberalism on public services – she makes no mention of Marx, saying, "I am not an academic, I am a firefighter and a trade unionist."

"Marxist" does not mean "academic" – in fact, as John Foster argues in a contribution on British Marxist historians, the academic Marxist approach to history (eg Louis Althusser, Erik Wright, Gerry Cohen, John Elster and John Roemer) has been too distant from real life, drifting into idealism, through not recognising that Marxist categories are determined in a historical manner. Indeed – although this is not stated in the book – Marx himself pointed out that the categories used to describe the bourgeois mode of production "are forms of thought expressing with social validity the conditions and relations of a definite, historically determined, mode of

production, *viz* the production of commodities."¹ The first generation of Marxist historians, largely schooled by the Communist Party of Great Britain, sought to relate social consciousness to social being, and in a way that could be readily understood by workers.

The rejection of theory can lead to serious misconceptions, exemplified by a further remark of Denise's that the Labour economic programme "which benefits the many not the few" and which is being developed "under the leadership of Jeremy Corbyn and John McDonnell ... is called socialism." It will certainly be a big step forward if implemented, and it may open the road to socialism, but it is not socialism itself. Socialism is more than redistribution: it demands a change of state power, the overthrow of the capitalist ruling class and its replacement by a state of the working class and its allies. That cannot be achieved by electoral means alone.

It is a positive that Labour Shadow Chancellor John McDonnell was able to speak at the conference and to contribute a chapter to this book. He argues forcefully that there should be no fear "discussing publicly the ideas of a political economist and philosopher, whose works have contributed to the major political and economic debates of the 19th and 20th centuries and are now arousing interest again." He goes on to point out that Marxism has been one of several streams of thought underpinning the ideas and philosophy of the Labour Party from its earliest days. Posing three questions,

- if any ideas are to be a force for change, there has to be some interest in them,
- they have to be relevant,
- they have to inspire or motivate people to achieve that change,

he argues that all three apply in the case of Marx. Unfortunately, however, he illustrates some of his arguments by referring to Paul Mason, Antonio Negri and Thomas Piketty. The first two essentially support the erroneous thesis that, with the development of productive forces and labour, the proletariat as a class is disappearing;² while Piketty is certainly no Marxist, having adopted a neoclassical economic model in which imperialism plays no role, and in which he assumes away all the problems of lack of aggregate demand and the existence of a reserve army of labour.³

John McDonnell also takes a sideswipe at 20th century socialism, arguing that Marx's name "has been used to justify some of the most brutal totalitarian regimes ... whose policies and actions have borne no relationship to the liberating, progressive ideas developed by Marx." He ignores the fact that the totalitarianism concept was invented by Nazi academic Carl Schmidt and the Italian fascists; and was then deliberately used by Western politicians and media after the Second World War to turn anti-fascism into anti-communism. John also ignores the very sharp international class struggle imposed by Western powers, Nazi Germany included, on the Soviet Union and the other socialist states.

In fact class struggle and state power are largely absent from John McDonnell's article. His is essentially a 'pick and choose' approach, one which disregards the unity of Marx the revolutionary, political economist and dialectical materialist.

The importance of state power is emphasised by Francisco Dominguez in his article on 'Marxism and the Peculiarities of Indo-American Socialism'. Surveying historical and recent developments in Latin America, in the context of the writings of Jose Carlos Mariátegui, founder of the Socialist (later Communist) Party of Peru, and reflecting on the relatively small size of the working class throughout Latin America then and now, Francisco writes that "the state can be transformed and a socialist revolution can be carried out provided the proletariat ... is capable of furnishing the non-proletarian dispossessed masses, especially the peasantry and the indigenous nations, with clear political leadership." That leadership must draw heavily on the 'national' and 'popular' traditions already existing among the people.

Isabel Monal, director of the Cuban journal *Marx Ahora*, insists on the unity of Marx's thought, stressing the importance he gave to consciousness, starting with the Introduction to the *Critique of Hegel's Philosophy of Right* – "Theory becomes a material force as soon as it has gripped the minds of the masses." She refers to the tendency to reduce Marx to a critic of capitalism, and criticises Althusser's thesis of the primacy of historical materialism over dialectical materialism. She also criticises the Frankfurt School for concentrating on 'negation', thereby avoiding "the need for a second negation, the one that pushes the exploited masses and the revolutionary classes to action and to revolutionary praxis." Consciousness leads to theory, she says, and theory is the driving force of consciousness.

In different ways, a number of other writers also emphasise the role of consciousness. In defending the importance of Marx's labour theory of value, economist Ben Fine argues that the starting point is Marx's "commodity fetishism": when we buy or sell something, including our own labour power, we don't see any of the exploitative relations underpinning the production of that commodity. But value theory is the code for breaking this fetishism. To bring about change we need first to use value theory to decode and reveal the extent to which the commodity depends on the environmental or social conditions under which it is produced, and then struggle to transform those relations and conditions.

Vijay Prashad, executive director of Tricontinental: Institute for Social Research, looks at the reality of capitalist production on a global (*ie* non-European) scale, and asks, "What does the Left movement do, confronted as it is by the disarticulation of production, the culture of consumerism and the rise of the security state?" His answer is in three parts:

- Build worker power by fighting against the culture that makes people consumers, and using cultural campaigns that "enrich the reservoirs of Left history and worker contribution to the world".
- Build worker power not only in the workplace but where workers live, fighting against social hierarchy, religious sectarianism and misogyny.
- Challenge the influence and control of gangsters, religious orders and NGOs in communities – the Left will have to

prove that it is a better alternative to religion and charity.

Perhaps the strongest article relating to consciousness is that by Mary Davis herself, offering a Marxist-feminist perspective on 'Women, Class and Gender'. After criticising both 'corporate feminism' ("women can break through the glass ceiling if they have enough confidence") and 'choice feminism' (championing lifestyle options and hence consumerism), as being founded on the presumption of individualistic self-help, she goes on to attack 'intersectionality' (the idea that people are composed of multiple identities, assigning equal status to all forms of discrimination and oppression), as having morphed into a variant of identity politics, whose newest form is gender self-identity. The largely unaddressed underlying question in relation to that, Mary says, is an ideological one since, as Engels remarked, the ruling ideas in any society are those of the ruling class. She goes on to distinguish between oppression and discrimination, arguing that the former – which both women and black people suffer – is an important means of maintaining the class relations which support exploitation. Oppressive ideologies serve to maintain class rule by dividing the exploited. Women are exploited and oppressed due to their biological sex, which is reinforced by gender stereotyping.

In 'Being a Marxist Artist under Capitalism', Christine Lindey engages in a 20th century historical survey. The most famous Marxist artist, Picasso, did very little overtly political painting, but he used his fortune and celebrity status to help the communist movement. The work of less famous Marxist artists was mostly ignored or marginalised, but they courageously stuck to their convictions, keeping alive the flame of socialist art. Some turned to 'agitational' art, which made vital contributions to political and social campaigns.

In 'Literature and Political Judgement', David Margolies argues that it is simplistic to expect a working-class person to vote Labour because they are told that it stands 'for the many, not the few'. We have to begin, not with the socialist society that we want, but with the material concerns of everyday life; and in particular we have to overcome the individualism that Thatcher inculcated. Marx, he says, teaches us that literature has effects

that can be understood as political. David praises in particular Maurice Sendak's children's book *Where the Wild Things Are*, because it points out that social integration is positive.

The themes of modern technology and capitalism are the subject of the contributions by Ursula Huws and Alan Blackwell. Ursula remarks on the ambivalent attitude of Marxists to technology, going back to Marx himself: on the one hand, capitalists use new technologies to cheapen and casualise labour; on the other, science has the potential to take the drudgery out of work and increase productivity in ways that could be socially beneficial. These "dystopian" and "utopian" scenarios of technology under capitalism are, she says, based on a zero-sum idea of jobs, which Marx himself would have challenged. There is a mass of unpaid reproductive work that is outside the scope of capitalism; and capitalism's history is not just about technological expansion but about commodification. We see commodification happening today in art, culture, nature (new, patented bio-objects), public services and household labour – the last through online platforms like Taskrabbit or Deliveroo. But the platforms are only a transitional stage to replacement of more workers by goods: Uber, for example, having got a near monopoly in taxi services in some US cities, is now investing in driverless cars.

Alan Blackwell focuses on artificial intelligence (AI), preferring to define it by analogy to what Marx had to say in the Grundrisse about machines:

"Rather, it is the machine which possesses skill and strength in place of the worker, is the virtuoso with a soul of its own in the mechanical laws acting through it."

If the labour of the worker can be reduced to an abstraction of activity, it can then be determined and regulated by the movement of machinery. In 21st century computer science, abstraction is also used, to represent more complex phenomena by simpler characterisations of data or processes. Alan argues, in line with Marx's comments about fetishised commodities, that information, knowledge, reputation and human attention could now become fetishised too. Indeed Deliveroo and Uber involve human relational labour that is quantified in terms of reputation points; and human attention is harvested from

users and resold as AI by such means as the Amazon Mechanical Turk.

The contributions by David McLellan, Ted Benton and John O'Neill all relate to ecology. David argues, firstly, that from the late 1850s Marx changed his view that capitalist development is a good thing, adopting a more multilineal view of world economic development than that of, say *The German Ideology*; and secondly, that the current ecological crisis may persuade us to re-evaluate the historical position of pre-capitalist social and economic formations. In his later writings, Marx argued that such formations contained valuable elements that capitalism was increasingly destroying. The solution to the current crises does not consist solely in redistribution of wealth, but rather in forming a society in which people can live fulfilled and non-alienated lives.

Both Ted Benton and John O'Neill have come in for criticism from the American Marxists John Bellamy Foster and Paul Burkett, most recently in *Marx and the Earth*, profiled in a recent issue of this journal.⁴ They describe Ted Benton as among those who were part of 'first-stage ecosocialism', which sought to highlight the presumed ecological failings of Marx and Engels, and to proceed to graft Green theory onto Marxism. Certainly Benton, in a 1989 article, criticised Marx and Engels for reluctance "to recognise nature-imposed limits to human potential in general, and to the creation of wealth in particular."⁵ 'Second-stage ecosocialists', including Bellamy Foster, Burkett and Kohei Saito, have however demonstrated that Marx and Engels conceived of historical materialism in terms that were, they say, clearly ecological.⁶

In his present article, 'The Ecological Marx?', Benton says that some Marxists read his earlier work as a critique of Marx rather than "of some readings of Marx, and an attempt to develop a largely unexplored ecological dimension to his work." Indeed, he seems to come close to Foster in his article, quoting extensively from him. Thereafter he enters into a discussion of some passages in Marx which, he says, can be interpreted as illustrating Marx's commitment to mastery over nature, while others "selected and emphasised" by the likes of Foster and Burkett resist such an interpretation. However, if we are to accept Kohei Saito's studies of Marx's manuscripts and notebooks in his *Karl Marx's*

Ecosocialism,⁷ then it is clear that in the course of time Marx did depart from an early simple optimism about subjugating nature, and that one cannot comprehend the full scope of his political economy if the ecological dimension is ignored.

Foster and Burkett have criticised John O'Neill for opposing dialectical approaches to ecology (*ie* opposing Marx's oneness of organic and inorganic nature), and hence ceding nature (and the whole of natural science) to positivism.⁸ John O'Neill's article here, however, is about the implication of Marx's work for ongoing debates about the increasing monetisation, marketisation and financialisation of nature. He correctly criticises such approaches for failing to address the underlying structural causes of environmental damage – the growth imperatives of capitalist society. Drawing on the 'socialist calculation debate' beginning in the 1920s, which involved not only anti-socialists such as Ludwig von Mises and Friedrich Hayek, but also socialists who had different views on how the law of value would operate under socialism, John O'Neill concludes that "there is no single measure of value, monetary or non-monetary, that is able to capture [the] different dimensions of well-being" – including environmental goods. There needs to be a "specification of the physical and bio-physical throughput of the economy and the rich set of needs that this must satisfy and plans to meet these."

The final article, by Communist Party of India (Marxist) general secretary Sitaram Yechury, is entitled 'The Enduring Legacy of Karl Marx'. Because, he says, Marxism is a 'creative science', based on 'a concrete analysis of concrete conditions', it alone is capable identifying the tendencies and direction of developments encompassing all areas of human endeavour. He characterises today's world as one of imperialist globalisation, reordered for profit maximisation "under the dictates of international finance capital" (IFC), to define neoliberalism. The nature of IFC, and whether it really is entwined with industrial capital and detached from nation states, is a matter for discussion. However, we can certainly agree with him that neoliberalism is in crisis, creating new contradictions, conflicts among imperialist countries, rising discontent and a political rightward shift. The direction in many

countries will therefore be determined by who can better marshal that popular discontent – the right or the left. Capitalism must be overthrown, and the building of the material force to achieve that is ‘the subjective factor’. To strengthen that, various intermediary slogans, measures and tactics will have to be employed to sharpen class struggles and meet the challenges.

My criticisms notwithstanding, this is a really useful collection, which

shines a veritable spotlight on the two questions posed by Mary Davis in the introduction. It should prove a starting point for discussion on a wide range of issues.

Notes and References

- 1 K Marx, *Capital*, George Allen & Unwin, 1938, p 47.
- 2 H Bierbaum, *Class Relations Today*, in *CR88*, Summer 2018, pp 10-13.
- 3 P Patnaik, Capitalism, Inequality and Globalisation: Thomas Piketty’s ‘*Capital in the Twenty-First Century*’, in *CR74*,

Winter 2014/15, pp 2-8.

- 4 J Bellamy Foster, *The Ecological Marxism of Marx*, in *CR87*, Spring 2018, pp 14-17.
- 5 T Benton, *Marxism and Natural Limits*, in *New Left Review*, No 178, November/December 1989, pp 51-86.
- 6 See J Bellamy Foster and P Burkett, *Marx and the Earth*, Haymarket Books, Chicago, 2016, pp 3-4.
- 7 See M Levy, book review, *Karl Marx’s Ecosocialism* by Kohei Saito, in *CR89*, Autumn 2018, pp 20-27.
- 8 Bellamy Foster and Burkett, *op cit*, pp 87-8.

A HISTORY AND EXAMPLE THAT WILL INFORM US



A Socialist Defector: From Harvard to Karl-Marx-Allee
By Victor Grossman
[Monthly Review Press, New York, 352 pp, 2019. eBook/Pbk/Hbk, \$18.50/£17.99/£73.00, ISBN 978158367-7407/7384/7391]

Review by Tony Briscoe

FOR MOST of history, there was no ‘Germany’ as such – just a ragbag of German-speaking states. In 1871, most of them unified into the German Empire (Austria stayed outside, together with Switzerland, where German is but one of the languages spoken).

Germany came late to the capitalist table, and flexed its muscles in the early 20th century with the aim of becoming a major imperialist power. It was defeated in World War One, which saw the October Revolution in Russia, and led to the relatively short-lived Weimar Republic in Germany. Nazi Germany lasted from 1933 to 1945.

After World War Two and occupation by the major powers that defeated Hitler, Germany was divided into two separate states: the Federal Republic of Germany (West Germany), and the German Democratic Republic (the GDR, or East Germany). These separate states lasted from 1949 until 1990, when a unified Germany arose again. So far, so much basic history.

Victor Grossman experienced life in the GDR from 1952 until its demise 38 years later after the Berlin Wall came down. East Germans describe the

outcome as ‘*die Wende*’ – the ‘turning point, turnaround, U-turn’. Call it what you will – I prefer the term ‘annexation’.

A lifelong communist, Grossman explains how he ran away from his role as a US conscript in order to escape impending McCarthyite persecution. He threw himself onto Soviet mercy in Austria, but was soon relocated to Bautzen in East Germany, having been allocated a new name, so no longer “Stephen Wechsler, Private First Class”. In Bautzen, he was billeted among a fair number of exiles from other nations – American, Dutch, Spanish, Irish, Mexican, and – news to me – Brits who did not relish the thought of serving in the Korean War.

After stints of factory work, Grossman studied journalism, which became his life’s profession. He married a GDR citizen, had children and lived the unfolding of socialism in all its ups and downs. Now in his 90s, he still writes, including for our own *Morning Star*.

He writes well, albeit with numerous Americanisms, eg queues are always “lines”, underground rail is the “subway”, trams are “streetcars”.

We are, however, used to such differences in vocabulary through US films and literature.

Other linguistic stumbling blocks can be put down to *faux amis* – traps which arise when switching from one language to another. So, for example, the Communist Party of Germany was not so much “forbidden” (German: *verboten*) in 1956, but was in fact banned; a GDR works canteen would not serve a “warm lunch” (German: *warmes Essen*) but rather a hot dinner; and it must be bordering on blasphemy to describe Robert Burns as “Bobby”.

Such infelicities could have been avoided through more rigorous editing. Never mind, these are minor quibbles, sparked by my own work as a translator in the GDR in the 1970s.

Grossman tells us how the GDR was founded in 1949 as a reaction to the Western occupation powers unilaterally setting up the Federal Republic on their patch and launching a new currency.

He goes into great depth to compare and contrast the evolution of the two new states. He tells us just how little West Germany did to denazify its republic, compared with the systematic approach adopted by the GDR. He outlines the shortages in supplies in the GDR shops, at least until rationing was lifted in May 1958, some four years after Britain dropped it. He relates how theatre and the arts blossomed in the GDR, and how the government tackled the housing problems inherited from war damage and the slum dwellings which were the traditional lot of many workers. He describes the renaissance of public transport, with GDR fares fixed at the exact same price until the *Wende*.

He shows how much fairer and more egalitarian the GDR was, and explains the “positive discrimination” measures taken in favour of women.

So why was the Wall built? Grossman relates the deliberate undermining of the GDR currency by West Berlin selling it short. Smuggling and the brain drain were bleeding the GDR dry. Western propaganda painted a rosy picture of life on its patch, and constantly told the GDR citizens just how hard done-by they were. Something had to give, otherwise the GDR would never be able to pull itself up by its bootstraps. So, 1961 saw the Wall divide Berlin.

Ups and downs in the complex relationship between the GDR and the Soviet Union are explored. Yes, there

was a prevalence of political jokes about the Soviet ‘big brother’ but, without help from the USSR, GDR living standards would not have become the best in Eastern Europe by the mid-1970s, somewhat to the chagrin of Soviet citizens.

The economic stability brought by the Wall enabled the GDR to play a significant role in international solidarity, giving practical help to Ho Chi Minh’s Vietnam, the African National Congress and other liberation struggles.

I grew up viewing West Germany and the GDR not as parts of a divided Germany, but rather as two different countries with a common language. Over the post-war decades, two different social systems arose. West Germany was allegedly a capitalist ‘democracy’ – reconcile that with the banning of the Communist Party! In Western media, the GDR was described variously as ‘authoritarian’ at best, a ‘dictatorship’ at worst.

Visiting and living in the GDR opened my eyes. Yes, life was different there, and in many ways better – certainly a more secure way of life. Yes, there were restrictions – on travel to the West, for example; and petty bureaucracy – and careerism – were frequently experienced.

Given all the relative advantages of living under ‘real existing socialism’, why did it all go wrong? How was it possible for West Germany to gobble up the GDR? Grossman describes the undermining effect of Western propaganda; widespread efforts to block recognition of the GDR as a sovereign state; the constant promises of a better life if only the Wall came down; and the role of Gorbachev’s *perestroika* and *glasnost* (for even greater details of the blame to be laid at Gorbachev’s door, see *Perestroika and Germany: The Truth behind the Myths*, by Hans Modrow, the GDR’s last Prime Minister¹).

Grossman lets an understandable edge of bitterness creep in to his narrative, when he depicts the wholesale McCarthyite sackings of GDR citizens after the *Wende*, and the impact of the changes in everyday life. East Germans experienced unemployment first-hand, and came across beggars and rough sleepers for the first time. Okay, cars became freely available to buy, rather than an 8-year waiting list, and worldwide travel was now possible. Such possibilities are empty without a job ...

Grossman homes in on the rush to adopt the West German currency, but unfortunately his investigation of economic factors both before and after the *Wende* leaves something to be desired. He should have explained that the GDR’s currency was not convertible on the world market. Whilst this meant there could not be a ‘run’ on the East German Mark, it also meant that the GDR had to earn Western ‘hard’ currency in order to buy Western imports, whether of capital goods or consumer items. To do this, it had first to export GDR products, depriving GDR citizens of them. And it also meant that, after the *Wende*, the traditional Eastern markets for GDR exports fell away, as the buyers had to pay in ‘hard’ currency.

It is true that GDR productivity was way below that of West Germany’s, for a whole complex of reasons outlined by Grossman. The GDR was heavily dependent on Soviet oil; when its flow dropped, so did the GDR’s ability to meet its citizens’ expectations of an ever-improving lifestyle. And the GDR had to rely significantly on its indigenous but noxious ‘brown coal’ (lignite), leading to environmental degradation and poorer air quality.

Grossman digs deeper, and shows how Western consumerism is generated by the media and sustained by imperialist exploitation of less developed countries, and how GDR citizens benefited from a significant social wage, including subsidised kindergartens and works canteens, free workplace clubs, cheap and efficient public transport, low rents, subsidised holidays, plenty of food (with prices fixed the same everywhere in the country – and the same next year) and a decent range of consumer goods.

He also distinguishes the GDR’s trade relations (principally with developed countries in the north, west and east) from the rapacious exploitation of developing countries by Western imperialism. West German TV made GDR citizens envious of the plentiful supply of bananas on the other side of the Wall. But Western media did not point out the poverty of the banana producers in the supplying countries.

A Socialist Defector is overall a well-written book, with nice touches of humour. Grossman’s historical grasp and keen eye for detail enable him to draw telling contrasts between capitalism and ‘real existing socialism’. He explains the personal experiences

of GDR leaders in fighting Nazism, and the resultant rigidity they adopted towards any changes that might endanger the GDR's stability. He does not shy away from criticising the GDR's leadership when criticism is due, but provides a more balanced evaluation than today's German schoolchildren are taught. But then, history is written by the winners, whose media are keen on delegitimising the whole of the GDR's existence.

Building socialism is of course different in each country, depending as it does on history and circumstances – never more so than in the aftermath of a world war. The GDR came into existence rather reluctantly, as the Soviet Union wanted a unified, albeit neutral, post-war Germany.

Revolution is the passing of political power from the hands of one class to the hands of a historically more progressive class. So, from feudalism to capitalism, and from capitalism to socialism. Counter-revolution passes political power back in the wrong direction.

But was the GDR a country where the *working class* held power, or was it rather the Socialist Unity Party? Did the existence of five GDR political parties equate with democracy? Did the trades unions have any real power in the economy? Grossman gives a balanced, informed verdict. Did the GDR leadership become estranged from the population? Grossman thinks so.

Well-written though it is, the book suffers from a shift in emphasis two-thirds of the way through. It moves from a personal memoir to an exposé of the pernicious role of US imperialism and militarism. Grossman quotes extensively from his researches in Western media archives and on the internet. This takes the writing style away from the personal to the direction of political feature journalism.

A well-read “leftist” (Grossman's word) would probably be aware of much of what he recites. I would have preferred him to make bullet-point references, and to put the research material into an appendix and/or a bibliography, neither of which the book contains.

However, it is clear that Grossman wants not only to outline his unique personal experiences, but also to leave his political legacy: an undaunted socialist commitment to a world ‘for the many, not the few’, coupled with optimism that this can still be

achieved.

The book takes us right up to the current era, including his reintroduction to the land of his birth. His story helps us gain insight into a wide range of factors that must exercise our minds as we work for a socialist world. He does not attempt to give answers to all the questions, but his story at least helps us identify the pertinent questions.

Another publication, *Stasi State or Socialist Paradise*,² also covers GDR history and achievements, but *A Socialist Defector* is different in style and sweep, reflecting as it does Grossman's unmatched personal story. Alongside Hans Modrow's book, we could do with more such publications.

An acquaintance asked me why, despite the collapse of socialism in Eastern Europe, I am still a member of the Communist Party. My reply is that “Capitalism is still there: and for the good of the human race – and the planet – it has to go.”

An East German friend was surprised that I campaigned for Brexit. He asked “Whatever happened to our dream of a Europe without nation

states?” I replied that I never dreamt of such a Europe. Instead, I dreamed of a Europe with *socialist* states. My GDR friend did not just experience the loss of socialist state power, he also lost his country!

Alongside the Soviet Union, the GDR and its citizens played a significant role on the world stage in solidarity with others struggling for a better life. From its experiences we can learn lessons (some specific, some general) of ‘how to do it’ – and in some cases, ‘how not to do it’!

Its downfall leaves us all the poorer. Its history and example, as depicted in *A Socialist Defector*, will inform us in our ongoing campaign for a world of socialism. Grossman's story will help us do it better next time round!

Notes and References

- 1 H Modrow, *Perestroika and Germany: the truth behind the myths*, Marx Memorial Library in collaboration with Artery Publications, London, 2014.
- 2 B De la Motte and J Green, *Stasi State or Socialist Paradise? The German Democratic Republic and what became of it*, Artery Publications, London, 2015.

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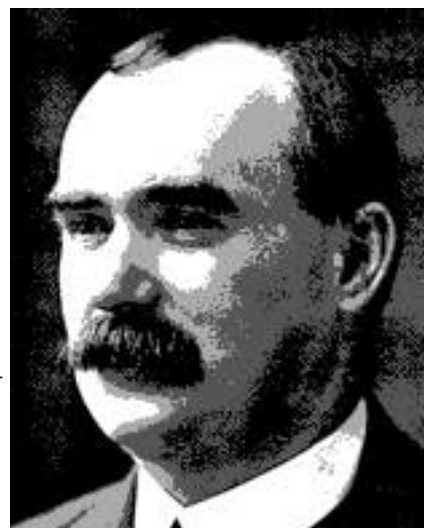
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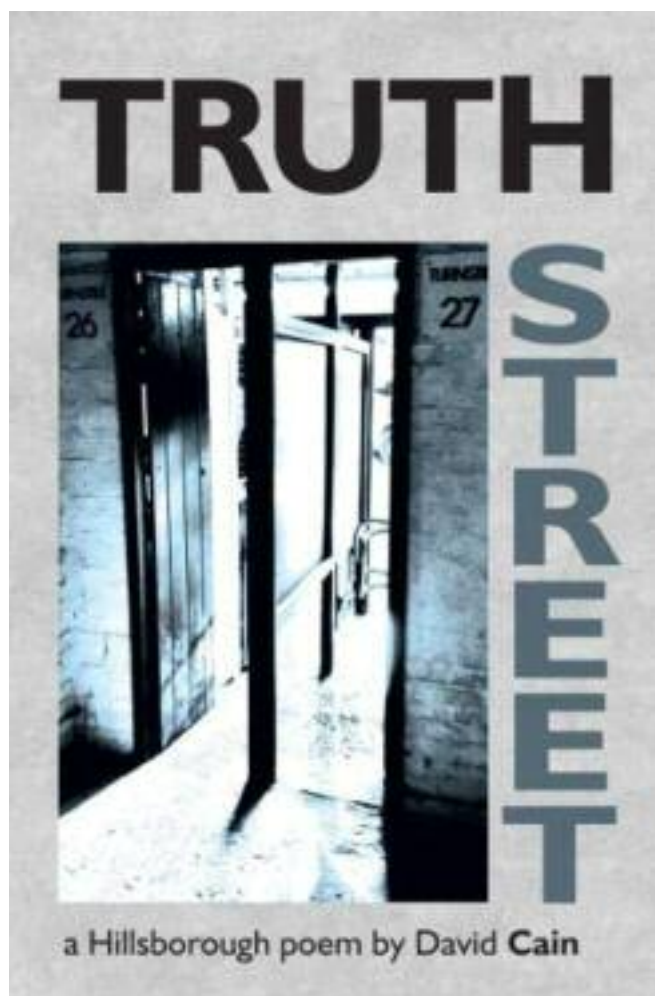
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SOUL FOOD MIKE QUILLE EVERYBODY KNEW THE TRUTH



(Netherlands), Roque Dalton (El Salvador), Yiannis Ritsos (Greece) and Victor Jara (Chile).

In this column I'm going to present some sample poems from Smokestack's *Truth Street*, by David Cain, about the Hillsborough Stadium disaster. The book was published on 15 April 2019, to mark the 30th anniversary of the event.

On that day, during the opening minutes of the FA Cup match between Nottingham Forest and Liverpool, 96 men, women and children died in the most serious tragedy in British sporting history. Thousands more suffered physical injury and long-term psychological harm.

The pain and suffering caused by the tragedy was compounded by the police, government and media, who added insult to injury by blaming the supporters for what happened. For almost 30 years the survivors and the families of the dead had to campaign to get the truth out. Eventually, in 2016 a second inquest ruled that the supporters were unlawfully killed due to failures of the police and ambulance services.

Legal proceedings were then brought. However, the jury in the trial of Hillsborough match commander David Duckenfield was unable to reach a verdict. The Crown Prosecution Service has said it will seek a retrial for Mr Duckenfield. But lawyers for the former South Yorkshire Police officer said they would apply for a "stay of proceedings" to prevent another trial.

Truth Street combines the eye-witness testimonies of the survivors at the second inquest to create an epic-poem that is part oral history and part documentary theatre.

The book's poems are divided into three sections: *The Afternoon*; *The Evening*; and *After*. Here are some poems from each of the sections, mostly the first section. Watch out for the last poem, *Everybody Knew The Truth*.

The Afternoon

2.59 pm

This massive surge from behind came.
It was violent and sudden.
And sent us scuttling down towards the front of the pens.
I was pushed down the terracing.
It was coming from behind me on the left.
A river of people
Suddenly entering the terracing from the centre tunnel.
Pushing the people that were already standing there
forward.
The scene reminded me of pictures on television in the
nature programmes.
Molten lava

SMOKESTACK BOOKS is run by Andy Croft, the *Morning Star's* monthly poetry columnist, and publishes an astonishing range, quality and amount of radical poetry in English. It promotes a socialist perspective: poetry which combines social and political commitment with aesthetic power; poetry which clearly relates to the shared, social world around us, as well as showing skill with the words we share.

The world for Smokestack is truly global, with a far more internationally balanced list than any other poetry publisher. Its international titles include collections of poems by Vladimir Mayakovsky (Soviet Union), Bertolt Brecht (Germany), Gustavo Pereira (Venezuela), Francis Combes (France), Rocco Scotellaro (Italy), Heinrich Heine (Germany), Nikola Vaptsarov (Bulgaria), Andras Mezei (Hungary), Justyna Bargielska (Poland), Paul van Ostaijen (Belgium), Louis Aragon (France), Guus Luijters

Molten lava flowing down a hillside from an active volcano.

Like a wave.

Down towards the terrace.

Wave after wave coming in from behind you

There was no going

Back.

It was unbearable

I have never felt anything like it in my life.

It was hard to breathe.

I wanted my big brother to help me.

I was scared and I was looking for him to try and resolve the situation for me.

My main focus was trying to breathe.

It was a battle to try and stay on your feet.

Stay breathing.

It was just stay on your feet

stay breathing,

don't go down.

My father had his hands on the railings

I cradled him

Trying to protect him from the pressure.

My dad turned around to face me,

And he had a look of just sheer terror on his face.

I could see that.

I just said to him that he would be okay.

From that point, it became worse, and I was really, really

Concerned for my dad, for myself.

Then there was a sudden surge from the back.

I couldn't hang on any further with my hands,

And my arms buckled.

And I was twisted to the right-hand side, with my back to the fencing

With bodies just pressed from all sides against me.

That is the last time I had my father alive.

There was like a silence

It was just an eerie sound.

It probably only lasted a second or two.

But it felt like a lot longer.

It's hard to describe the sound.

I've never heard the sound since.

As it seemed to settle, people started screaming and panicking.

It wasn't nice. It was people screaming, people crying all at the same time.

The noise is almost impossible to describe.

People screaming, people shouting for kids

People shouting to the pitch side for help.

It was so hot. The smell was terrible and lingered in the air.

Sweat. Heat. Vomit.

The smell is not something I have ever smelt before and I have

never smelt it since.

Is it the smell of death?

I don't know

We were in the same class in school

I hadn't seen him for quite a while, since we left school.

We ended up on the barrier together

It was a strange place to meet someone.

We were both on the barrier, squashed up

He said to me, 'When's it going to stop?'

It was just getting worse and worse.

He was shouting out,

'Fucking hell. Fucking hell.'

There was nothing I could do for him.

He was bent very far forward over the barrier.

He looked around and his face was very, very red.

His eyes were very wide, distress and panic on his face.

'Help me. Get me back. Get me off this barrier.'

It was right across his hips and his stomach.

I was trying to pull him back, trying to pull him upright and pull him away from the barrier.

It was no use.

There was that much pressure coming from the tunnel behind us.

I shouted, screamed for people to help.

And all these hands came over him from behind.

And started pulling him back off the barrier as best as they could.

Even given the distress that people were in themselves.

They were still doing everything they could to help others.

He was screaming his legs were trapped,

His legs were going to break.

He was in a great deal of distress.

I had hold of his arms

He was looking at me, and I was looking at him,

And we separated.

I couldn't hold onto his hand anymore.

My whole world was in that one pen at that moment.

I couldn't breathe

The girl next to me was shouting,

'Help me, help me.'

And the man in front was screaming about his legs being trapped.

He was just pinned against the barrier.

And he was shouting,

'Hold me up, hold me up'

So I put my arms underneath his armpits and tried to hold him up,

But then my legs got trapped

And then the last I remember is someone saying,

'The barrier's about to go'

I heard his knee crack.

We fell through the barrier

When the barrier collapsed, it went down, my legs were underneath

And my body went over the top.

I found myself kneeling and scrambling on top of people

And the man I was trying to hold up was underneath me,

And I had my arms trapped under his armpits.

And somebody said to me, 'Let go of him, let go of him'

And I said, 'No, I'm holding him up'

And he said, 'Don't bother, mate,

He's dead.'

The police were treating it as a sort of pitch invasion

Trying to push people back into the pen.
I was shouting that people were dying, let people out,
They didn't respond.
They could hear us.
I produced my warrant card.
I thought if they realised I was a policeman
And I was saying that people are dying,
Then they would respond.
I held it up in the air.
I said, 'Why wasn't they letting people out?
There's people dying in there.'

I remember being in this room with all these strangers

I'm witnessing these people collapsing,
So traumatised at what they've just been told and what
they've just found out, And then, all of a sudden, to my
right there was just this massive scuffle
The media had got in.
They were trying to take photos of us families.
You know, there we are so traumatised,
We don't know what's happening,
We are trying to find out what's happening to our loved
ones
And the media have got in
Trying to take photographs of us.

I think there were two police officers

They started asking questions.
The first one was,
'What time did you leave Liverpool?'
The second one,
'What time did you arrive in Sheffield?'
The third,
'Did you go to any pubs on the way before the match?'
And the fourth was,
'How much had you had to drink?'
They asked me that, and even my dad that.
My dad only came to pick us up from Barnsley Hospital.
All they were concerned about was how much alcohol
we'd had to drink.
I said, 'I don't know.'

We wouldn't have had more than two, two and a half pints,'
because that's all we ever did. And he said,
'Oh, come on, love, they must have had more than that,
don't put that past me.' And he thrust this plastic bag
with these two tickets in front of me,
and he never let go of the bag,
he just leaned across the table, and he said,
'Are these their tickets?'
How did they obtain them?
Did they buy them on the black market?
How much would they have paid for them?
And he was just firing all these questions at me,
he just did not believe anything we said.
He just kept going on and on and on
and I got so upset in the end I just broke down

The Evening

Norman Bettison

I wasn't sure whether he was inspector or chief inspector.
He was on the course.
We would occasionally exchange greetings, words over
coffee.
We'd go to the pub afterwards and have one pint. We went
most
Mondays.
I went into the pub, and Norm Bettison and I got to the bar
pretty much simultaneously.
It was just myself and Norman.
And Norman said,
'I've been asked by my senior officers to pull together the
South
Yorkshire Police evidence for the inquiry
and we're going to try and concoct a story that all of the
Liverpool fans were drunk
and that we were afraid they were going to break down the
gates
so we decided to open them.'
I was stunned. I was just staggered. I was shocked.
It was a very matter-of-fact tone.
He was just relating what he'd been told to do.
I got the impression that he saw it as a positive career
advancement.



After

Chief Superintendent David Duckenfield decides to tell the truth

Everybody knew the truth.
I said something in the order of,
'Some fans have got in through a gate,'
What I didn't say I didn't say,
'I have authorised the opening of the gates'
I made a dreadful mistake, not realising the consequences
of what I was doing,
not telling Mr Kelly that the gates had been opened by me
and that may have contributed to the disaster.
What I would like to say to the Liverpool families is this:
I regret that omission,
and I shall regret it to my dying day.
I had heaped upon them further damage when they had

got problems enough.
It was a major mistake on my part.
I have no excuses.
That was a terrible lie,
the fans knew the truth,
that we'd opened the gates;
the police officers knew we'd opened the gates.
With hindsight, I would say I wasn't the best man for the
job on the day.
It was a serious mistake.
However, I was the chief superintendent in charge on the
day.
So I must accept
responsibility.

Thanks to Andy Croft for permission to publish these samples.
Truth Street is available for £7.99 from Smokestack's website,
<https://smokestack-books.co.uk/>.

LETTER

Fascism in Britain

Lars Ulrik Thomsen in *CR91* makes some interesting observations about our article 'Fascism in Britain' which appeared in *CR90*. The article in an amended form appears in a more detailed pamphlet, *On Guard against Fascism*, which can be obtained from the Communist Party's Office. Communists are involved in anti-fascist and anti-racist struggles worldwide. In Britain a number of violent fascist groups exist. But Communists recognise that on occasion others will name groups and/or political parties as fascist when they clearly are not. As such a recognised international definition of fascism is required.

The definition developed by the 13th Plenum of the Communist International in 1935 reflected the experience of nearly two decades of anti-fascist struggle in a range of countries and a range of different forms. It rejected attempts to define fascism in terms of surface characteristics – as the despair of a disinherited lower middle class or as a pathology of mass politics that glorified charismatic leaders and stigmatised outsiders.

It derived its definition dialectically from an analysis of the developing class contradictions of capitalism in its monopoly phase, a phase of general crisis, of direct political challenge by the working class and of intensifying inter-imperialist conflict. Fascism was the "open terroristic dictatorship of the most reactionary, the most chauvinistic and the most imperialistic sections of finance capital". It represented, and this is a critical part of the definition, the substitution of one form of class domination by the bourgeoisie – bourgeois democracy – by another, an open terroristic dictatorship. It was a response by finance capital when the existing form of rule, bourgeois democracy, could no longer contain the political class contradictions arising from capitalism in its monopoly stage.

It is important, we argue, to sustain this definition today. It roots fascism within monopoly capital as a

product of capitalism's contradictions. Fascism is not a sociological product of 'mass society' – a form of 'totalitarianism' that enabled the Cold War propagandists of finance capital to equate fascism with communism. It arises when, in face of working class challenge, finance capital can no longer rule in the old way. It is therefore a definition that provides the basis for a broad anti-fascist alliance, of all those segments of society, including some within the bourgeoisie, who wish to defend existing democratic forms of rule.

It also identifies the means by which fascism, as the tool of a minute finance capital ruling class, is able to secure a mass base. It is the tool of the most "chauvinist and reactionary" sections of finance capital, those willing to draw on the most extreme forms of national identity which use stereotypes that stigmatise and dehumanise in direct opposition to working class internationalism and solidarity. For this reason Dimitrov, in his 7th World Congress speech, explained the need for socialists and communists, in building barriers against rise of fascism, to make themselves the champions of all that is progressive in a national identity, that reflects the struggle against class domination and oppression and defends all equalities. Communists must understand national identity in Leninist terms as reflecting the class struggles, the opposed class cultures, existing within a nation's formation and development.

Today this definition still provides us with essential guidance. We are in a period of intensifying crisis for finance capital and of rising inter-imperialist tensions. In places across the world, but not generally, the challenge of the working class and its allies does threaten imperialist rule. It does so in part of Latin America, newly perhaps in parts of Africa. Elsewhere potential threats exist. In the countries of the European Union, existing forms of bourgeois-democratic state power are subject to the rising politico-economic tensions generated by the interests of finance capital based in the EU's dominant states. Hence today we need to pay particular attention to what Dimitrov had to say about national identity and nationalism. We argue that, in building contemporary anti-fascist alliances, Dimitrov's definition of fascism as used in *On Guard against Fascism* remains fundamental.

Tony Conway, John Foster, Rob Griffiths and Liz Payne



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Comment: Party leader Harry Pollitt with fighters from the International Brigades



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Chaudron: Displaced walking at an anti-fascist rally at Trafalgar Square



Communist Party A century in the service of the working class

Britain's communists celebrate the 100th anniversary of the foundation of the party in 2020. The party drew on deep roots in the working class and socialist movement and was formed at a Unity Congress from the British Socialist Party, the Communist Unity Group from within the Socialist Labour Party, the South Wales Socialist Society – formed mainly of miners – and a wide range of militants from the Hands of Russia movement, Guild Communists, Independent Labour Party members and organisations, and later, supporters of the Communist Labour Party and the Communist Party (British Section of the Third International) led by Sylvia Pankhurst.

A centenary committee is organising a year long nationwide programme of events to mark the party's foundation with advance publicity commencing in October 2019 and a formal launch in January 2020.

Key dates in 2020 will be enhanced with events that highlight the role of the party... International Women's Day in March, May Day, the May 8/9th victory over fascism in Europe, the October anniversary of Cable Street and the Great October Socialist Revolution itself.

A summer event in central London will mark the actual date of the foundation congress while the Communist Party will hold its 2020 Congress in November.

Centenary events — some stressing the party's anti colonial struggles — are planned throughout the country with the participation of sister parties and other labour movement and progressive organisations. These will include solidarity rallies with international music, poetry and cultural preferences.

A Communist University/21st Century Marxism/Red Star Festival is under consideration and there are plans for school for trade union organisers with an emphasis on young workers; a day school on 'Black Communists in Britain' and a hosting of Tayo Aluko performance of 'Call Mr Robeson'.

Manifesto Press will launch Phil Katz's forthcoming biography of Tom Mann and there are plans for publications considering the 'The Next 100 Years' on the future of work, robotics, artificial intelligence, food and farming.

Working class internationalism and solidarity is a powerful theme with events planned with communist and workers parties of communities domiciled in Britain and Black and Minority Ethnic communities.

Party members and supporters are invited to consider these proposals and come forward with their own ideas.

Comrades may have in their family possession publications, documents, artefacts, banners and emblems and other items that have an historic or cultural value which would be of interest, and the collective organising the centenary would be interested to discuss how they might be used during the year.

Contact
office@communist-party.org.uk

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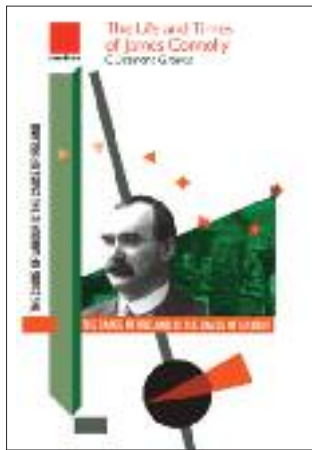
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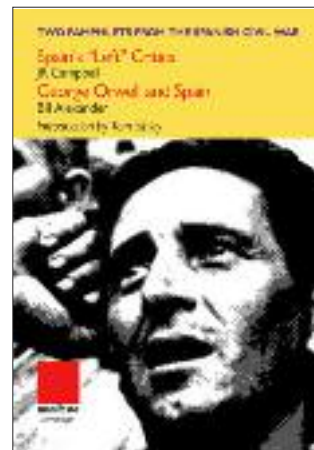


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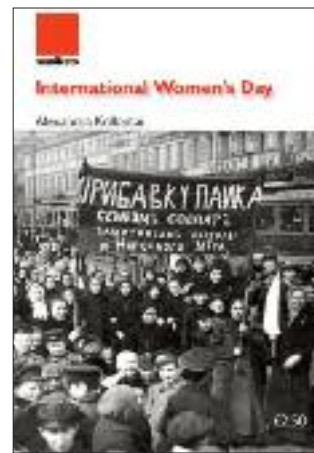
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