**Has History Ended with the Victory of Capitalism?**

Meghnad Desai has written an important book: ‘Marx’s Revenge’, (Verso, London 2002) in which he suggests that Marx would not have been surprised by the actual development of the apparent supremacy of the capitalist system. He outlines how his belief in the imminent demise of capitalism was increasingly disproved by actual developments and the increasing suggestion that the present social system was more durable than had been suggested by its Marxist and socialist critics. The demise of the socialist societies defined as socialist and the increasing failure of Western social democracy is considered to be an expression of the aspects of the demise of the possibility for the realisation and development of effective and durable forms of socialist society. Instead the capitalist system is considered by Desai to be durable and not likely to be challenged by the role of mass forms of popular opposition. However this apparent demise of the importance of the role of socialism in relation to the demise of the regimes of Stalinism in Eastern Europe and the USSR would be accepted as necessary by Marx according to Desai: “I want to argue that in the triumphant resurgence of capitalism – and indeed, its global reach – the one thinker who is vindicated is Karl Marx……Indeed, if it came to choice between whether the market or the state should rule the economy, modern libertarians would be as shocked as modern socialists….to find Marx on the side of the market.”(Desai p3) This is an assumption that has no genuine justification. It could be argued that Marx would not be supportive of a type of society in which the working class had little participation in its organisation and administration. But this does not mean that he would support capitalism as the only valid alternative. Instead it could be suggested that Marx would be attempting to realise a situation in which the working class was the most important aspect of the character of the social formation. Desai is right to suggest that Marx would reject the realisation of a form of bureaucratic state planning based on the domination of a party elite, but this does not mean that he considers capitalism to be the most progressive alternative. Instead it could be argued that Marx was concerned to facilitate the possibility of a type of society in which labour could overcome the situation of the exploitative domination of capital by the establishment of the most cooperative form of organisation of production. This perspective does not mean to suggest that Marx could not appreciate the dynamic and progressive aspects of capitalism as Desai indicates by quoting from the Communist Manifesto. But the very aim of Marx’s work ‘Capital’ was to outline how the exploitation of labour by capital could be ended by the realisation of the cooperative role of labour as the most dominant expression of the logic of the progressive aspects of the present economic system. Hence it could be suggested that Marx would have supported the various attempts of the workers and socialist parties to overcome the domination of the capitalist system in the twentieth century. The ultimate failure of this process of mass struggle does not indicate the supposedly unrealistic character of this perspective as Desai seems to imply, but instead the limitations of the various socialist type political organisations. Indeed, it could be argued that the regular expression of mass discontent with the capitalist system was an indication that the possibility to transform society and to achieve an alternative to the present dominant society was not unrealistic.

Desai considers that Adam Smith posed an effective challenge for all critics of capitalism because this was an efficient economic system that could realise prosperity for society despite the aspect of inequality and the relation of subordination of labour to capital: “Adam Smith thus poses the fundamental question of the modern – capitalist economy. Liberty in the form of a guarantee of property rights brings with it inequality, but at the same time, prosperity. The prosperity that comes through the division of labour, and incentives to efficiency and innovation, translates into a decent standard of living, even for the poorest people in modern society, so that thy live better than the rich of earlier days.”(Desai p26) But it was this very justification of capitalism which Marx was to effectively challenge. His economic approach implied that labour would not accept its continued domination by capital because of the aspect of exploitation that this involved. The different economic interests of capital and labour could not be reconciled in the long term. However, despite this situation the capitalist system has generally remained dominant. But is this because of the reasons outlined by Smith, or is it the result of different criteria such as the limitations of the organisations of the workers? This is obviously an issue that was not the concern or Smith, or even of Marx, who considered that the demise of capitalism was an imminent possibility. Instead it became an important issue in relation to the political developments of the 20th century. Indeed Desai connects the continued ability of capitalism to remain dominant to the decreasing of support for a socialist alternative: “Capitalism had survived – not only survived, but become a dynamic worldwide phenomena yet again, for the first time since 1914. It showed a capacity for technological advance with promises of more to come. Across the world, people abandoned socialism as a cure for their problems. Warts and all, it was capitalism they wanted. Capitalism still had a lot of potential……Neither underconsumption and the lack of markets, nor workers organisation and their rising share of total income, nor the loss of Empire…or the threat of the Third World proletariat….could stop capitalism. Now who could have predicted that?”(Desai p44) But all of these factors however important do not in and of themselves indicate that socialism is not a practical impossibility. Instead it has to be suggested that the forces of capital have been in the ascendency in the class struggle, but this aspect need not be invincible. Instead it could be argued that changing economic and political factors could result in the success of the struggle for the realisation of genuine socialism. Indeed, the very demise of Stalinism could mean that this prospect has actually become more favourable. Instead Desai utilises the history of the 20th century in order to conclude that socialism is not a genuine possibility: “Socialism was premature, since capitalism had not as yet exhausted its capacity for development. We lost sight of this simple truth in order only because of contingent factors – now, fortunately, removed – that characterised the short twentieth century: 1914-89. In order to see the relevance of Marx, we must get that sorry episode out of our minds, and use Marx’s theory for the purpose for which it was intended: as a way of studying the dynamics of capitalism, its strengths and limits.”(Desai p44-45) But it is doubtful that Marx would himself had become essentially a critic of all attempts to overthrow capitalism by workers and socialists as being premature and unrealistic actions. Instead, as with the Paris Commune, he would have been concerned to try and ensure the success of these revolutionary activities. Hence the emphasis of his critical comments would have been to oppose the role and influence of various forms of opportunism that expressed effective opposition to the successful realisation of thee aim of proletarian revolution. Ultimately his approach would not have expressed a fatalistic view that capitalism could not have been transformed by the role of revolutionary activity of the workers. Instead his emphasis would have been on how to ensure the success and consolidation of the creation and role of revolutionary regimes. In other words, his approach would not have expressed a fatalistic acceptance of capitalism contrary to the interpretation made by Desai. Instead his criticisms of the actions of the working-class movement would have been motivated by the aim of ensuring the successful overthrow of capitalism. Obviously, Marx did not have to directly tackle the issue of the overthrow of capitalism in countries with low levels of development. But there is nothing to suggest that he would not support the approach of Lenin and Trotsky in 1917.The point is that he did not have to tackle this type of issue, but when a genuinely popular struggle emerged as in relation to the Paris Commune he provided genuine and loyal expressions of support. In other words, he was not a sectarian who considered that reality should conform to his views. Instead he adapted his politics to actual developments such as the 1848 revolutions and the formation of the Paris Commune. His aim was to support the advance of the working-class movement and to provide critical forms of solidarity in this context. Therefore, his aim was to facilitate the transformation of capitalism into socialism, via the revolutionary actions of the workers, and so the suggestion of Desai that he would have accepted the continued domination of capitalism as some expression of the supposed superiority of this system is not vindicated by the character of the politics that Marx advocated. Instead his theory had the aim of the promotion of the possibility of the transformation of capitalism into socialism. His criticism of the working-class movement was based on this adherence to such a principled objective.

However, it could be argued that Marx was unable to outline a convincing and systematic perspective of the possibility of the transformation of capitalism by labour apart from suggesting that the cooperative character of the workers as producers expressed this potential. But this was not outlined as a definite programme of change. Instead all that was being outlined was the principles of the possibility of a process of change. Indeed Marx seems to suggest that the very process of the accumulation of capital only seems to weaken the economic power of labour as the following comment from Marx’s ‘Capital’ appears to establish: “It follows that in proportion as capital accumulates, the situation of the worker, be his payment high or low, must grow worse……Accumulation of wealth at one pole is therefore the accumulation of misery, the torment of labour slavery, ignorance, brutalization and moral degradation at the opposite pole, i.e. on the side of the class that produces its own product as capital.”(Karl Marx ‘Capital volume 1’ Penguin London 1976 p799) Indeed the very character of capitalism seems to be the expression of the continual generation of the capital-labour relation with no apparent possibility of overcoming this situation. Thus: “As simple reproduction constantly reproduces the capital relation itself, i.e., the presence of capitalists on the one side and wage labourers on the other side, so reproduction on an expanded scale, with more capitalists or bigger capitalists, at one pole and more wage labourers on the other pole. The reproduction of labour power which must incessantly be re-incorporated into capital as its means of valorisation, which cannot get free of capital, and whose enslavement to capital is only concealed by the variety of individual capitalists to whom it sells itself forms in fact a factor in the reproduction of capital itself. Accumulation of capital is therefore multiplication of the proletariat.”(Marx Capital p763-764) Marx tries to overcome the apparent justification of the view that capitalism is a system that cannot be challenged in an effective manner with the elaboration of a vague perspective of social change: “Along with the constant decrease in the number of capitalist magnates, who usurp and monopolize this process of transformation, the mass of misery, oppression, slavery, degradation and exploitation grows; but with this grows the revolt of the working class, a class constantly increasing in numbers, and trained, united and organized by the very mechanism of the capitalist process of production. The monopoly of capital becomes a fetter upon the mode of production which has flourished alongside and under it. The centralization of the means of production and the socialization of labour reach a point at which they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.” (Marx: Capital p929) This comment is the most systematic expression of Marx’s view that labour will oppose and ultimately overcome the domination of capital. But this view is essentially a prediction that seems to lack any convincing strategic basis in terms of the outlines of a definite perspective of change. It could be argued that the very expression of the discontent of labour caused by the exploitation of the capitalist system can be limited in its effects to the realisation of minor forms of progress for the workers. What is not established by Marx is a convincing explanation as to why labour should react to its exploitation by capital in a revolutionary manner. Indeed, it could be argued that capital has the economic and political power to be able to successfully oppose any attempt by labour to transform the relations of production. Instead Marx is outlining the vague view that the combination of the exploited and cooperative character of labour will generate the inevitable possibility of revolutionary change. This apparently dogmatic perspective seems to underestimate the complexities involved in trying to achieve successful revolutionary change by the workers. Indeed, the economic determinist aspects of the approach of Marx would seem to ignore the importance of the issue of the ideological hegemony of the ruling class, as outlined by Gramsci. Hence, we could argue that compared with Gramsci Marx has only outlined a dogmatic conception of the character of the class struggle and the possibility of socialism. Marx seems to assume that the capital-labour relation will generate an inherent process of revolutionary change. But it could be argued that this economic determinist approach has not been vindicated by the actual events of the complexities involved in the class struggle. Instead the general ideological domination of the perspectives of the defenders of capital has meant that any discontent caused by the exploitative character of the capitalist system has generally not resulted in successful revolutionary change. It could be argued that Marx could not necessarily anticipate the complexities of the class struggle, but his economic determinist conception of the process of revolutionary change meant that his approach could be considered to be not adequate for the challenges posed by the difficult aspects of the attempt to realise socialism. However, this would be an unfair conclusion because Marx has only been considering the principles involved in the possibility of the realisation of socialism. He was not suggesting the inevitability of the realisation of this aspect of the cooperative character of labour in terms of an inexorable process of transition to socialism. Instead what is being emphasised are the economic and political conditions that would make socialism a possibility. But we have to suggest that this approach whilst credible is problematical because it is based on the importance of the role of the economic and so the aspect of the political and ideological is ignored. He outlines a dynamic of change based on the possibilities for the realisation of the cooperative character of labour in terms of the demise of the domination of capital but this is a perspective that does not explain the complex aspects that have enabled the capitalist system to be dominant. Instead there is an economic determinism that assumes an inherent process of change because labour will inherently act to end its domination by capital. Indeed, there is the justification of what seems to be a historical dynamic of change based on the principles of the negation of the negation, or the transformation of the changes generated by the development of capitalism into their opposite of the realisation of socialism. But the point is that the character of history does not have the aspect of the role of an inexorable process of change, instead it is based on the dynamics and outcome of class struggle. Hence as long as the capitalist class can ensure its continued domination it will be able to oppose any possibility of revolutionary change by the actions of the workers. Thus, in this manner the socialist potential of the cooperative character of production and the role of labour will be opposed and instead the domination of capital will continue. What is necessary is for the forces of the working class to develop a strategy that will promote the possibility of the revolutionary transformation of society. But the possibility to develop the influence of this perspective will be undermined by the aspect of the ideological domination of capitalism which acts to reconcile the exploited situation of the workers to the economic requirements of the present system. Marx assumes a dynamic of change based on the workers acting ultimately in a revolutionary manner to their exploited situation by the development of cooperative economic and political action. However, the very events of social reality have indicated the complexities involved in trying to achieve the successful demise of capitalism. There is no rigid or deterministic relationship between the exploited and cooperative character of labour and the possibility of the transformation of capitalism into socialism. So whilst Marx is right to suggest that without the cooperative character of labour change would be inconceivable, it is also necessary to suggest that he possibly underestimated the complexities involved in the realisation of the success of this perspective of the transformation of society. What is still necessary is to develop a strategy that would facilitate the possibility to challenge the ideological domination of capitalism and so in that manner advance the prospect of the realisation of socialism. Therefore whilst Marx is right to suggest that without the cooperative character of labour revolutionary change would not be possible, it is still necessary to elaborate this perspective in terms of an understanding of the complexities of capitalism that act to undermine the realisation of this possibility. It could be suggested that it required the theoretical achievement of Gramsci in order to develop a greater appreciation of the complexities involved in developing the possibilities of revolutionary change. However, Desai is wrong to imply that the capitalist system has not been effectively challenged during most of its history. Instead popular forms of discontent have continued to develop the possibilities of the genuine transformation of society.

However, it is also necessary to suggest that what we also have to recognise is that revolutionary forms of change are not inevitable. The very character of capitalism is based on the development of opposition to the possibility of the transformation of society. This aspect means that most people adapt to the continuation of capitalism and so the advocacy of revolutionary transformation is limited to the agitation of a few small Marxist groups. Most people adapt to the continuation of capitalism as an inevitable aspect of social reality. In other words, the very aspects of the domination of the system means that the political result is that people adapt to the situation and accepts that the possibility of the realisation of an alternative is not inevitable. Indeed, Desai outlines how Marx actually provides reasons as to why capitalism is a durable economic system based on its capacity to ensure a process of continued accumulation of profits. Desai indicates the elaboration by Marx of the possibility of the constant reproduction of the system via its potential for continual accumulation and expansion of its economic power and influence. He concludes: “Yet Capital fails to come up with a single story about the dynamics of capitalism that in any way predicts – even with various conditions attached – its eventual downfall. It is not that Marx ever says that it will never reach its limits, but that these limits are logical rather than time specific. There are cycles. There are crisis. But these are underlaid by steady growth and a rate of profit that has only a partial tendency to fall.”(Desai p79) But the point is that Marx’s ‘Capital Volume 1’ is not primarily concerned with outlining the aspect of the role and character of economic crisis within capitalism. Instead the major aspect of change is the aspect of the cooperative character of labour and its possible potential to promote the development of revolutionary opposition to capitalism. Hence the conclusion of Desai that Marx has outlined an unintended perspective that explains the ultimate durability of capitalism would seem to be doubtful. Desai concludes: “Yet what we discover is that on reading Capital, one could conclude that capitalism will live through its cycles, and a slow as well as cyclical tendency for the rate of profit to decline. As capitalism grows, it spreads globally, and its crises become worldwide. But could it be that Marx provides a better argument for the long-term survival of capitalism than his detractors of followers have given him credit for?”(Desai p83) But the problem with this understanding is that Marx is not intending to explain the possible durability of capitalism. Instead he wants to indicate that the exploitative limitations of the capital-labour relation will result in the possibility of the development of the aspiration for change by the workers. In this context economic crisis can only have a subsidiary role in the generation of the conditions for the possibility of revolutionary change. What is of importance is that the workers recognise their cooperative character and so try to act to realise its potential. If this development does not occur, then the capitalist system will continue despite the possibility of the role of economic crisis caused by the dynamics of the falling rate of profit. However, the situation was complicated by the fact that the working class, movement developed political parties, which as Desai indicates, had a reformist character of the adoption of the perspective of achieving changes within the limitations of capitalism. In other words, the aim of the achievements of improvements within the capitalist system, as advocated by people like Bernstein, seemed to be a more credible perspective than what seemed to be an increasingly impractical approach of revolutionary change. However, an alternative did develop in terms of Luxemburg’s elaboration of the perspective of the mass strike which was inspired by the Russian revolution of 1905. Thus, it was the very actions of the workers which seemed to provide the most effective alternative to the apparent credibility of the views of reformism because the workers themselves seemed to provide a feasible approach concerning the possibility of transition from capitalism to socialism. In other words the issue of the perspectives of an effective process of transformation to a new type of emancipatory society was resolved by the very role of the workers in the form of the possible dynamics of their own activity because this could mean the development of the realisation of the transformation of society. However the very influence of reformism acted to try and undermine the very possibility of the success of this form of mass action because of its alternative emphasis on the role of limited change via increased influence within parliamentary type institutions via the role of universal suffrage. The approach of the role of the mass strike seemed to be confirmed by the Russian revolution of 1905 with the formation of the popular organisation of the Soviets which had a strategy of the promotion of the role of the general strike as the basis to achieve revolutionary change. But the defeat of this revolutionary process seemed to discredit the importance of the mass action of the workers and instead the emphasis became related to the role of the revolutionary party leading the struggle for social change. Ultimately this approach seemed to be confirmed by the October revolution in 1917 when the Bolshevik dominated Soviets led the development of popular struggle to achieve the transformation of society.

However, Desai suggests that this successful revolutionary process was based on the domination of the role of the party which had to be more concerned with the realisation of the interests of the peasants than the aspirations of the workers: “The importance of characterising the October revolution as a peasant revolution with the ostensible leadership of a Marxist party is that one need not agonize about the workers state being corrupted or becoming degenerate. From the beginning it was not a worker’s state in any material sense. Except for the ideology of the party in power, nothing made the regime in 1917-23 or thereafter a worker’s state. Nobody betrayed it. One can only speculate as to why the belief that it was a worker’s state persisted despite self-acknowledged contradiction in fact. But there is a sound economic basis for the preponderance of the peasantry. The civil war put more power in the hands of the peasantry than they would have had in normal times. When there is war and famine……. food becomes pivotal and the producer/seller of food has a lot of economic clout….The industrial proletariat was materially less important as well as numerically smaller than the peasantry. The workers may have been important as a political group to be mobilised in the capital between February-October 1917, but in economic terms, Russia could fight a civil war without their economic contribution – and moreover, did so.”(Desai p120) But the point was that the Bolshevik regime was concerned to establish satisfactory economic and political relations with the peasants because it had to try and provide food for its primary expression of support in the role of the workers. The very recognition of the importance of the interests of the peasants was because it was in some sense a type of workers government. It was the Soviet – the major political institution of the workers which provided the basis for the formation of a Bolshevik government and they had to supply the cities with food which meant that it was necessary to try and also satisfy the aspirations of the peasants. Indeed, it could be argued that in this context war communism was a failure and the interests of the peasants were only effectively realised with the introduction of the New Economic Policy. But Desai suggests that the problems created by a serious economic situation meant that it was necessary for the Bolsheviks to organise and administer the economic in elitist terms such as by the introduction of one-man management. Hence there was no suggestion of the expression of any form of genuine popular economic management and popular political democracy. This meant the situation was always characterised by the rule of the party.

But this perspective of Desai is an over-simplification with regards to a complex and difficult situation. The adverse situation between 1918-24 meant that there could be no alternative than to essentially establish the supremacy of the party in terms of the objective of trying to establish an efficient type of economy. But in some manner the party was still the expression of the interests and aspirations of the workers because it encouraged the role of thee factory committees, and then when they failed the role of the trade unions as the basis for the involvement of the workers in the organisation of industrial production. The introduction of one man management was made on the basis that this economic system would be connected to the continued influence and involvement of the workers in the organisation of the factories. The mangers were supposed to act in accordance with the aspirations and advice of the trade unions. Hence despite the difficult situation the economy was supposed to be organised in accordance with the principles of the important role of the producers. Hence the view of Desai that the Bolsheviks always had elitist objectives concerning the administration of the economy and society would seem to be a dogmatic view that ignores the complexity of the situation. It was the fact that party domination of society occurred between 1918-23 but this was because of the difficult circumstances of the situation and was not necessarily the intention of the Bolsheviks. Therefore, the development of elitism was not an intentional purpose and instead was the result of adverse circumstances of the civil war and the difficult economic situation. Also, sections of the workers left the cities for the countryside and so the effective inability of the factories to function effectively meant that the aim of workers management of industry could not be realised. In this difficult situation there was no alternative than to accept the primary role of the party in the organisation of the economy.

Desai considers that there was always the elite control of the party after the revolution and so the situation did not alter with introduction of the collectivisation of the peasants in 1929. Instead this was essentially a modification of policy within the approach of the domination of society by the party: “The pattern of Russian economic and political development was therefore determined by three interrelated factors: a weak industrial working class, a small Marxist party determined and able to retain power, and a large and powerful peasantry. With the peasantry’s support and the workers forbearance, the party defeated the forces of the feudal and capitalist classes. It subjugated the workers successfully through the years of the civil war, so that by 1922 they had no political clout. The bureaucracy then subjugated the peasantry in the early 1930’s via collectivisation, but had to pay for it continually in terms of low real wages. As the working class grew numerically, increased repression was necessary to deny it any access to political power.”(Desai p121) Hence it would seem that there was no essential change in this period but instead the various policies expressed the aim of the elite party to maintain power over society. But there was a change which was expressed by the ideological importance of the ideology of ‘socialism in one country’ which was adopted in the mid 1920’s. This perspective indicated that the Communist party had become committed to the consolidation of an elite regime in the Soviet Union as its major priority and the aim of world proletarian revolution was of secondary importance. What this ideological development indicated was that the Communist party was concerning to uphold its dominant power and that all its policies were based on this perspective. Hence the national interest of the party was the primary objective and so this meant that the issue of international proletarian revolution was no longer an important aspect of the Bolshevik standpoint. In other words what was implied is the view that only the policy of the organisation of the national economy and society is of genuine importance and so the connection of the process of thee building of socialism to international considerations has become of entirely secondary significance. This means that the international aim of the development of a global alliance of the workers and peasants as the basis for the advance of world revolution can be effectively rejected in favour of the priorities of industrialisation that is considered to be the objective basis of the realisation of socialism in one country. In this context it becomes possible to consider that the peasants can be alienated from the aims of society in terms of the imposition of forced collectivisation and in that manner an imposed contribution to the industrialisation and modernisation of society is established. However, the Left Opposition led by Trotsky are not able to outline a principled alternative to this bureaucratic economic policy because they essentially consider collectivisation to be part of the necessary modernisation of society. Therefore, they are unable to argue in a convincing manner for the continuation of the New Economic Policy. Only in a limited manner does the Bukharin led Right Opposition support this type of approach. Therefore, the political crisis of the various oppositions to Stalin means that it is not possible to develop an effective alternative to his imposition of a bureaucratic economic approach. The ultimate result of this situation is that Stalin is able to transform a deformed type of workers state into becoming an expression of a new form of bureaucratic social formation. The problem is that the Left and Right Oppositions to Stalin do not recognise the necessity of the realisation of political unity in order to oppose the realisation of the domination of Stalin. They do not comprehend that Stalin represents a type of bureaucratic regression of the regime that is necessary to oppose and develop a united opposition. Instead both the Right and Left Oppositions consider that their perspectives are opposed and so they cannot unite in opposition to the process of bureaucratic degeneration expressed by Stalin. But Desai considers that these issues were irrelevant because the character of the Soviet social formation was established by the October revolution of 1917. This meant that it was not genuine socialism given the lack of participation of the working class in the organisation and development of the society, but it could be defined as state capitalist. There was no essential difference between the state capitalism advocated by Lenin and what was practiced by Stalin: “The social relations of production did not alter after March 1918. Since we have already argued that the political formation was not a workers state to begin with, there is no need to distinguish between varieties of state capitalism.”(Desai p122) But there is a difference between a type of bureaucratic workers state, which still in some sense tries to express the interests of the workers and peasants when contrasted with a type of emerging social formation that is based on the imperatives of accumulation of capital based on the imposition of a situation of a systematic exploitation of the workers and peasants. This development occurs alongside the effective rejection of the importance of the aim of international proletarian revolution and the emphasis on the consolidation of the regime in Russia. It could be argued that the social circumstances of the revolutionary regime meant that it was never possible to facilitate the realisation of a genuine socialist type of society, but this did not mean that the objective of the creation of a new type of exploitative society was being encouraged or developed. It could be suggested that under adverse economic conditions aspects of exploitation did emerge, but this was not a systematic expression of the character of the complex social formation. Instead the party still genuinely aimed to realise socialism within adverse social conditions because this perspective still defined its character and political aims. It could be argued that there was a contradiction between the determination to maintain the hegemony of the party and the contrasting character of the concept of genuine democratic socialism. Thus, the rule of the party could only result in some form of elitist society. But this aspect was not defined by a systematic process of the accumulation of the surplus produced by the workers and peasants. Instead the aim was to realise the economic interests of the workers and peasants via the distribution of the surplus to meet their needs. It could be argued that there were problems with the approach of War Communism, and then the New Economic Policy, but this did not mean that the ultimate intention was to generate a surplus in the process of production for the benefit of the privileged elite of the Communist party. Instead the party considered that its elite situation was to be utilised in order to realise the interests of the workers and peasants. However, this situation could only be consolidated either by the genuine development of the involvement of the producers in the organisation of the economy, or the realisation of a new type of elite society. The latter development occurred with the consolidation of the Stalin regime. But contrary to the view of Desai this was not necessarily a logical outcome of the character of Bolshevism. Instead political struggle was required within the Bolsheviks in order to consolidate the domination of The Stalin faction. Only then did the objective of the consolidation of a bureaucratic regime become the consistent aim of the Communist party. This analysis does not suggest that the Bolsheviks, even Lenin, had a consistent and credible perspective of the possibility to advance the realisation of the possibility of the creation of a new emancipatory society. But what is being suggested is that they did not accept the development of state capitalism as the logical expression of the political supremacy of the Bolsheviks. Instead it required a process of the bureaucratic regression of the Bolsheviks in order that it became consistently supportive of the development of a new type of exploitative society based on the domination of the role of the party.

Desai also suggests that the revolutionary objective that the Bolsheviks had about the imminent development of proletarian revolution in Western Europe was unrealistic because the workers were instead generally committed to making economic and political advances within the capitalist system: “Where the working class is large, and has experienced the give and take of struggle and compromise in trade unions and legal political participation, a workers party can maintain predominance – if not a monopoly of workers loyalty – only by being seen to deliver partial gains, by playing the political game. The German SPD was such a party. Given the history of working class politics in Germany, a Leninist party could not be suddenly conjured up to take power.”(Desai p128) But this analysis seems to ignore the fact that in the period 1918-19 a pre-revolutionary situation seemed to develop in Germany and it was only the political role of Social Democracy which ensured that the capitalist system was not challenged because of the increasing discontent of the workers. This analysis is not meant to suggest that the success of revolution could have been inevitable in different circumstances, but instead that Social Democracy had an important role in ensuring the stabilisation of the dominant system. It could be argued that with more effective strategies and tactics the various Communist parties could have led the working class to realise the overthrow of capitalism between 1918-39 in Europe. Instead it was the role of Social Democracy, and then Stalinism, which ensured that the capitalist system did not become transformed by the development of effective forms of revolutionary activity. This point is not meant to suggest that radical change was inevitable, but rather that the limitations of the Social Democratic and Communist parties meant that the discontent of the workers was not expressed in the successful realisation of a process of revolutionary transformation. Instead the advocates of a principled revolutionary approach became reduced to the role of the small Marxist organisations and the activity of the Social Democrats and Communists was increasingly to ensure the continuation of the capitalist system. Hence the assumption of Desai that the workers of Europe were inherently reformist was not necessarily vindicated in relation to the various expressions of the development of the class struggle which led in France and Spain to the revolutionary possibility of the overthrow of capitalism. In other words, the increasing limitations of capitalism in Europe meant increasing support for the Communist parties. But the problem was that by the mid 1920’s these organisations were essentially based on the priority of loyalty to the Soviet Union rather than the promotion of the possible realisation of proletarian revolution in their given countries. Hence the role of genuine Marxism became reduced to the ineffective influence of small organisations and so the expression of a militant aspiration within the workers of Europe was unable to be expressed in terms of a revolutionary conclusion. Hence the assumption of Desai that there was an inherent reformist political culture within the workers of Europe is only partially true because it was quite possible that the very limitations of capitalism could generate a process of radicalisation that would acquire revolutionary type dimensions. But with the political degeneration of the Communist parties because of the influence of Stalinism there was no longer the promotion of genuine and popular forms of revolutionary politics. Instead there was an ideological and political crisis within the working class that has never been resolved. Indeed, it could be argued that since about 1925 it has been possible for capitalism in Western Europe to remain dominant because of this enduring problem concerning the development of a genuine and popular revolutionary Marxist party. There have been possibilities to realise a process of the revolutionary transformation of society because of periods of the crisis of capitalism but such opportunities have not been realised because of the influence of what are essentially opportunist parties. However Desai would deny the importance of this perspective because he considers that a system of mature bourgeois democracy with the possibility of reform and improvements for the workers is not favourable for revolutionary change. This point may have some credibility, but it is necessary to emphasise that the various political organisations supported by the workers have tended to accept the domination of capitalism. In this context it has been possible to realise reforms but the possibility of the promotion of revolutionary change has been rejected as being unrealistic. However, this has meant that the role of Social Democracy and Stalinism has been to accept the domination of capitalism. It has been part of the political functions of these organisations to convince the workers that an acceptance of the present system is necessary in order to establish the possibility for the realisation of reforms. Obviously the workers can support this perspective, but it could be suggested that without this influence of reformism they may have been more receptive to becoming adherents of a revolutionary approach.

However, Desai suggests that increasingly the workers of Europe in the period between 1918 and 1939 become supporters of the continuation of capitalism. This was because despite the onset of recession, depression and unemployment, the workers considered that it was possible to influence the policy of governments to act in accordance with their interests: “The rejection of the communist alternative by advanced capitalist democracies twice during the interwar years is not accidental but systematic. It was a preference by the bulk of the working class – now fully eligible to vote – to stay with the possibility of a reformable capitalism: a system which, despite inequality and exploitation, afforded trade union rights.”(Desai p168) However this description is over-generalised because the situation in the 1930’s in Europe was often one of important forms of popular upheaval which led to the struggle for workers management of production in France and posed the possibility of proletarian revolution during the Spanish civil war. It could also be suggested the ascent of fascism in power in Italy and Germany was in order to oppose the possibility of revolutionary change. Hence the 1930’s was not merely an expression of the ability of capitalism as an economic system to meet the needs of the people but was instead a situation of the intensification of the class struggle. Only the problematical politics of the Social Democrats and Communists ensured that capitalism was not subject to the possibility of genuine revolutionary change. The result of the opportunism of these parties was that capitalism was able to maintain economic power despite increasing popular discontent. It was the economics of mass unemployment that led to a questioning of the validity of the system and resulted in the popular influence of socialist ideology and of social democratic and communist parties. Hence it was the limitations of these organisations which meant that the capitalist system was able to maintain its dominance despite the onset of depression and mass unemployment. This was because these parties did not try to promote effective strategies of political change despite the increased radicalisation of the European working class between 1918-39. Ultimately the organisations claiming to be socialist did not seriously attempt to provide a perspective for the promotion of the possibility of revolutionary change during a prolonged period of the economic and political crisis of European capitalism. This was the major reason why the domination of the capitalist system was not challenged in a period of the increasingly problematical character of the economic and political social formation. For Desai to suggest that the system was not challenged because of a contented working class would seem to be a rejection of the importance of the popular mood of dissatisfaction with the system. However even when mass struggles developed, as in France in the mid 1930’s, the socialist and communist parties acted to ensure that the expression of workers control of production did not become a systematic attempt to overcome the domination of capitalism. Hence contrary to the view of Desai it was not the general satisfaction of the workers with capitalism which primarily ensured the continuation of that system but instead the opportunist character of the various socialist type political organisations. This point is not made in order to suggest that revolutionary change could have inevitably had occurred with the development of a more principled political leadership of the workers. But the point is that in a situation of prolonged mass unemployment and recession the development of popular discontent with the economic system was developing and so this meant the situation was becoming increasingly favourable to the possibility to realise revolutionary change. Hence it was not workers acceptance of capitalism that was the reason why radical transformation did not occur but instead the importance of the lack of principled leadership by the various political organisations of the workers. For example, in France the occupation of the factories by the workers was an indication of a favourable possibility for the overthrow of the domination of capital. But the problem was that the political organisations of the workers did not consider that the logic of the situation implied the possibility of revolutionary change. Instead their approach was to adapt to the system and whilst still formally upholding the aim of socialism in actuality they adapted to the continuation of capitalism as something that could not be challenged. However, the ideology of socialism was still utilised by the socialists and communists in order to obtain mass support, but this aim was essentially ideological and had little practical significance. Instead it was the Social Democrats of Sweden who made the most gains for the working class because they had a credible policy of reforming the capitalist system. But this development was exceptional because in the situation of the general crisis of European capitalism between 1918-39 it was only possible to implement deflationary economic policies that failed to improve the social situation of the people. The very limitations of capitalism expressed the actual justification of socialism but there no longer was any popular parties that had this perspective in a principled and consistent manner. Therefore, the result was a crisis of leadership of the working class which could not be overcome by the insignificant role of the various alternative Marxist organisations. It was not the supposed superiority of capitalism that led to the continued domination of this system but instead the opportunist limitations of the parties that claimed to express the interests of the workers. These organisations rejected the necessity of adopting a genuine perspective for the promotion of the possible realisation of revolutionary change. Instead even when mass struggles developed as in France the approach of the parties of the workers was to try and reconcile the aspirations of these struggles with the democratic modification of capitalism rather than the transformation of the system.

However, Desai seems to ignore the importance of these developments for the continuation of capitalism and instead implies that what primarily facilitated the ability of the system to remain hegemonic was the intellectual genius of John Maynard Keynes. It was the economic theories of Keynes, which expressed the understanding of how capitalism could tackle the problem of economic recession and mass unemployment by the role of increased public expenditure and government intervention in the economy which provided the most effective attempt to improve the present system without the necessity of revolutionary change. Desai suggests that there was a serious crisis of economic theory in the inter-war years because of a failure to provide a satisfactory resolution of the problems of the economic situation. The various orthodox approaches were unable to provide convincing policies with regards to the problems of economic crisis and mass unemployment. But Desai suggests that Keynes was able to provide an approach that indicated that the only credible approach was to reject the prevailing orthodoxy and to adopt new policies based on increased public expenditure and the reflation of the economy. This would mean the rejection of all the prevailing forms of economic orthodoxy that were based on maintaining the balanced budgets of the government public spending. In other words, it was the problematical character of the economic policy of most governments which had contributed to the crisis of the various capitalist economies. It was necessary to recognise the necessity of important changes in economic policy. In other words, the result of increased public expenditure was the creation of affluence of people that would result in greater levels of demand for goods and so facilitate the possibility of the realisation of a situation of economic boom. Keynes was suggesting that a multiplier effect meant that increased public expenditure would mean the increased ability of people to buy goods and so generate prosperity and higher levels of employment and affluence. But the ultimate problem would be that this situation would result in increased inflation: “If employment went up, sooner or later real wages would be hiked up. There would come a time in the upswing when the rise in wages would cut into profitability. The share of wages would rise high enough to erode the share as well as the rate of profits…..But as Marx has argued….capitalists will have to do something to restore profitability – the rate of profits. This is what happened after twenty years of full employment in the post-war period.”(Desai p185) In other words there was a limit to the possibility to utilise Keynesian economics. Ultimately the approach of increased affluence of the workers in the context of full employment would undermine the continued development of the ability to sustain high levels of profitability of capitalism. Therefore, Keynesian could only be a temporary expedient that would have to be replaced as government policy if the interests of capitalism was to be maintained. But this analysis of Desai essentially admits that the possibility to reconcile the interests of the workers and capitalists in terms of the relation of high profits to the aspect of full employment and increased affluence for the workers was only temporary. This meant that the situation in which the forces of capital would have to act to try and undermine the progress of the material interests of the workers would have to become an essential necessity in order to enhance the levels of profitability and efficiency of the capitalist system. Hence this very analysis essentially admits that it would be in the interests of the workers given their increasing decline in their material situation to become a consistent opposition to the continuation of the capitalist system. However, Desai does not adopt this standpoint because he cannot envisage any feasible alternative to the role of capitalism. Instead he has to accept the fact that it seems to be in the interests of an economic system which he supports to act to undermine the realisation of the material interests of the people. Therefore, his conclusion about Keynesian economics contradicts with the logic of his previous analysis: “Keynes had provided the cure for capitalism, constructed a ‘new economics’ There was a Keynesian revolution…. capitalism had survived it worst years. For a while it was rescued by rearmament and war. But Keynes had given it the recipe for peaceful development a non-totalitarian context. Never again would capitalism face a similar collapse. Never again could capitalism be said to be in terminal crisis.”(Desai p185-186) Yet this conclusion is contradictory because it has to be admitted by Desai that this Keynesian approach ultimately could be said to be opposed to the very interests of capitalism to make high levels of profits. Hence different approaches had to be developed in order to maintain the situation of the continuation of capitalism. However, this necessity meant that the interests of capital and labour would ultimately be opposed even if they could be temporarily reconciled for given periods of time.

Desai ultimately assumes that the ability to resolve the economic issues that posed problems was not socialism because a planned economy that suggested it could resolve all economic issues was an unrealistic perspective. An economy has to have the characteristic of being a self-organising process of the actions of many individuals and so in that manner the aim of centralisation of decision making is impractical. (Desai p198) But this is surely an expression of a perspective that implies that only the capitalist system based on individual forms of decision making is feasible and practical, and so forms of cooperative and collective types of economic activity are defined as being unrealistic. This view implies that there is no coherent alternative to capitalism. Hence it is the apparent feasibility of capitalism as the only credible economic type of system which means that the attempt to realise an alternative such as socialism can only result in failure. This perspective implies that all the various conceptions of socialism must be false and instead the only valid option is ‘an economy is a self-organizing process in which there is the constant search for betterment on the part of millions of individuals, all acting on the basis of local knowledge’.(Desai p198) But this perspective ignores the importance of the situation of the domination of labour by capital. The point is that such a situation will be opposed by labour even if this expression of discontent is limited and does not necessarily result in the transformation of capitalism into an opposing type of social system. The point is that Desai ignores the important fact that the very domination of capital over labour means that there is something unsatisfactory about this type of economic system. The forces of labour can neve become reconciled to this situation even if they have to accept this aspect in a short-term basis. But Desai does not seem to consider this question because he assumes that capitalism has an ascendency that will not be challenged in an effective manner. But this perspective indicates his political approach which is to suggest that capitalism is the most effective type of economic system and so the alternative of socialism is not a realistic possibility. In other words the standpoint of Desai is based on the assertion that capitalism can continue to realise the material and social aspirations of he people in a manner that is superior to that of any other type of economic system such as socialism. But the very fact that he accepts that Keynesianism has only limited applicability would seem to undermine the credibility of his viewpoint because he is accepting that the period of reform and progress under capitalism is only of a limited and temporary nature. Instead the assumption being made is that the general situation of the domination of capital is based on the importance of economic inequality and a difference in the levels of income of the people of any given society. But such a situation will result in opposition and so pose the possibility of the transformation of society because of the increasing development of popular discontent. Hence it was the very role of Keynesianism to provide the justification of the increased economic welfare of the people of any given society as being in the interests of capitalism that had provided the basis of the popular legitimacy of this economic system. Hence to accept that Keynesianism will only be of a temporary nature and which has been superseded because of changing economic developments indicates that the credibility of Desai’s arguments in favour of capitalism are called into question. Instead he can only suggest that the development of an economic policy of austerity is necessary to maintain the economic system. But in such a situation it is not possible to suggest that capitalism retains an aspect of popular legitimacy with the people of any given society. Instead only the inability to develop forms of effective opposition ensure that the declining economic system is not replaced by another type of society. Hence it can be argued that with the end of the Keynesian approach capitalism is without its previous forms of genuine popular support. Instead the system is only maintained because of the failure to develop effective and revolutionary forms of opposition that can realise a successful process of radical change. In this context it is necessary for the various ruling elites to utilise ideologies such as nationalism in order to try and provide a reason why the people should support what is effectively a declining system. Hence it is only the failure to create effective forms of opposition to capitalism which ensures that a declining system is not replaced by a different and superior alternative. In this situation the problems associated in trying to develop the perspective of socialism as a convincing possible replacement of capitalism becomes the major aspect maintaining a declining type of economic and political system. This aspect is combined with a low level of consciousness within the working class which means that the continuation of capitalism continues despite the development of increasingly acute problems. In other words, the various alternatives to Keynesianism are not the basis of genuine economic efficiency and instead only continually result in the development of new economic problems which are essentially expressed by a crisis of the level of profitability. However, there is no necessary connection of the declining economic situation to the character of class consciousness of the workers. Instead, various forms of popular nationalism, as expressed in the support for BREXIT in the UK, which become the alienated expression of discontent with the declining situation. The socialist and Marxist groups do not become credible in this situation and instead the influence of right-wing populism develops. It could be argued that these problems could be addressed by a return to the approach of Keynesianism but this does not happen because of the view of thee ruling class that there is not alternative to the approach of austerity and the related undermining of the influence of the working class. Therefore, unlike the period of Keynesianism there is no optimism that capitalism can become a progressive and developing economic system. Instead capitalism is only able to maintain its hegemony because of the apparent problems connected with trying to develop support for a genuine alternative which is expressed by the lack of popular support for a socialist approach. But the confidence of the Keynesian period that capitalism could become a system of economic progress and increased material benefits for the people has been replaced with the more pessimistic view that there is no alternative to a declining type of economy. In this context is Desai able to provide convincing reasons why we should support capitalism? He accepts that Keynesianism is over, but how can this understanding provide a convincing perspective that capitalism is a genuinely superior economic system?

Before we study this issue in more detail it is necessary to outline hoe Desai considers that the post second world period was an era of the supremacy of the Keynesian approach. He indicates that there was a period of boom in the immediate aftermath of the second world war which resulted in establishing the economic and political credibility of capitalism: “The diverse collection of national capitalisms in the advanced capitalist countries were able to achieve the widest and deepest improvement in human well-being those countries had ever seen. Full employment, sustained economic growth with only shallow cyclical interruption, high levels of mass consumption including public and private goods, improvements in health, housing and education – all these became common experience for the first time, people began to think that this was a new but permanent phase of capitalism in the advanced capitalist countries.”(Desai p216-217) However the important point is that this development was not necessarily because of some inherent progressive dynamic within capitalism but was instead a response by the ruling class to the challenge posed by the working class and the related role of the socialist and communist parties. There was a process of radicalisation in Western Europe that led to increased support for left wing parties and so posed the possibility of the overthrow of the domination of capitalism. In this context it was necessary to re-establish the legitimacy of capitalism in terms of the policy of reforms that led to improvements of the economic situation of the working class. This development was also based on the role of social democratic and communist parties in government which meant that the impetus for the realisation of reform was based on their political importance at the level of the role of the state. In this context the American government was prepared to economically support the development of capitalism in Western Europe in order to undermine the possibility of the realisation of a socialist process of transformation. Furthermore, the reformist character of the socialist and communist parties acted to undermine the genuine possibilities for socialist transformation in western Europe. Only in a bureaucratic manner was capitalism ended in Eastern Europe by the elitist role of Stalinism. Hence it was not the inherent economic dynamism of capitalism that led to this situation but instead the opportunism of the parties of the workers which acted to ensure that the capitalist system was not overthrown. Only after the restoration of political stabilisation in Western Europe was it possible to facilitate the development of economic boom based on the regeneration of the dynamism of the capitalist economy. Hence contrary to the implicit view of Desai there was no inherent dynamic of the generation of economic growth based on the character of capitalism in alignment with the role of Keynesian economics. Instead it has to be suggested that it was the defeat of the working class in the class struggle which enabled a process of stabilisation of world capitalism to occur. However it also has to be indicated that the balance of class forces had become more favourable to the interests of the workers and so the very aim of maintaining capitalism had to be connected to making economic concessions to the people such as the acceptance of full employment and social benefits. Therefore, it was not merely the influence of Keynesianism that led to progressive developments but rather that this aspect was connected to the increased importance of the role of the workers within capitalist society. Hence Desai is being dogmatic when he seems to assume that there is something benevolent and progressive about capitalist because of the influence of Keynesian economic theories. Instead it can be suggested that a balance of class forces that was in favour of the interests of the workers of Western Europe led to the increased influence of the Keynesian approach. In other words, the various governments recognised the necessity of the connection of the standpoint of Keynes with the implementation of a policy of reform and so the development of the legitimacy of capitalism with the people. It seemed that capitalism was no longer an expression of the development of the mass unemployment and austerity of the 1930’s. Thus, the major reason for the adoption of the standpoint of Keynes was in order to promote a type of economic policy that could apparently reconcile the interests of capital and labour. It seemed that it was possible to generate high profits whilst being able to maintain high levels of wages for the workers. But Desai indicates that the Marxists Glyn and Sutcliffe were developing in the early 1970’s an important economic reason why this situation of affluence and full employment might not be sustained. They outlined the issue of a declining level of the rate of profit of the major capitalist economies which would ultimately create the problem of recession and unemployment. In other words, the very dynamics of the character of capitalism would mean that a period of relative affluence for the people could no longer be sustained. Instead governments would have to address the issue of facilitating the decrease in the proportion of income of the workers in order to facilitate the regeneration of the level of profitability. It was the very character of capitalism that was implying that a situation of economic boom and general affluence could no longer be sustained. Thus, ultimately the various governments of the nations of the capitalist system would have to tackle the issue of decreasing the income of the workers in order to regenerate the dynamism and profitability of capitalism. It could be argued that this perspective of Glyn and Sutcliffe became realised with the onset of the austerity of the late 1970’s. Hence the very dynamics of capitalist economies indicated that the interests of capital and labour could no longer be reconciled in terms of a situation of generalised and improving levels of prosperity. This meant that labour would have to tackle the issue of opposing the domination of capital in order to maintain its economic and political interests. In other words, Desai has outlined the very reasons which explain the increasing forms of social polarisation and class conflict since the late 1970’s because of these increasing economic contradictions. How is he able to justify the role of capitalism given these developments and problems?

Desai answer to this question is to suggest that Marxism has no possibility to address the issue of the development of problems of the capitalist economy because it supports the unrealistic view of a socialist alternative to capitalism. He contends that the increasing unrest of the workers in the 1970’s could not result in the revolutionary demise of capitalism and its replacement by socialism: “If inflation was not to accelerate and get out of control it had to be tackled. Despite rising wages, labour was dissatisfied as inflation ate into purchasing power. Strikes and walkouts mounted across capitalist countries. This was worse than student rebellions or civil rights agitation. Continuous accommodation to labour’s demands was neither possible nor effective. Profitability of the capitalist order had to be restored. If not, the alternative might well not have been socialism, as many hoped, but could easily have been fascism.”(Desai p267-268) In other words Desai cannot envisage that it could be possible to realise a genuinely progressive and revolutionary alternative to capitalism based on the realisation of the aspirations of labour. Instead he can only suggest that a more reactionary type of society would emerge as the outcome of class conflict. However, Marxists would reject this pessimism and instead try to outline strategies of progressive change that could result in the end of the domination of capital in terms of the realisation of an emancipatory form of society. Hence Marxist suggested that the discontent of labour could have created the potential for the possible development of socialism and the development of the role of the workers in the organisation of the economy. But the failure to realise this perspective meant that various reactionary governments were formed that attempted to resolve the increasing problem of the low profitability of capitalism at the expense of the interests of the workers. In order to provide democratic justification of this approach it was necessary to utilise reactionary forms of nationalist ideology. The appeal of nation in countries like the USA and UK in the late 1970’s and early 1980’s was utilised in order to try and undermine the development of militant struggle by the workers in order to ensure that capitalism could not be challenged. Desai is quite explicit that the Conservative government in the UK and a similar administration in the USA utilised a situation of increasing economic recession in order to undermine the influence of the trade unions. Measures of deliberate deflation enabled the challenge of the trade unions to the domination of the economic system to be ended. However, this analysis only indicates that it was in the interests of the workers to support strategies to develop their ability to oppose this attempt to resolve the economic crisis at their expense. But as Desai explains it was the influence of reactionary forms of nationalism that enabled the Conservative government in the UK to carry out its deflationary economic policies: “Helped by a war in the South Atlantic in 1982, the Thatcher government went on to win the 1983 election with an enhanced majority, while unemployment was still above three million – despite the fact that the government did not even promise to reduce unemployment. All it said was that it would combat inflation. This abandonment of the Keynesian commitment did not prove to be an electoral liability. More trade union members voted for the Conservative party than for their traditional ally, the Labour party.”(Desai p271) But it has to be emphasised that these economic policies did result in the opposition of the workers and trade unions. Only the defeat of the important miner’s strike ensured that the economic approach of the Conservatives would not be effectively opposed. But even in these conditions of an adverse balance of class forces popular struggle was able to defeat the policies of the Conservative government in relation to the anti-poll tax movement. These developments only indicated what could have been possible is such developments had become the basis to end the domination of the Conservatives. However, the lack of the influence of a revolutionary standpoint meant that such possibilities were never realised. But it is a one-sided view of Desai to imply that the economic policies of the Conservative government were never opposed by popular mass struggles. The approach of the Conservatives did lead to opposition, and this very aspect indicated the possibility for the realisation of a left-wing alternative. Hence the domination of Conservative policy was not inevitable.

However, could it be argued that it was ultimately not feasible to try and establish the possible realisation of an alternative to conservatism and support for capitalism based on the realisation of a left-wing type of objective. The point is that in the conditions of effective economic austerity and recession the basis for continued improvements for the people seemed to be over with the determination of establishment politicians to continue to implement policies of deflation and the undermining of the social interests of the people. In these circumstances only an effective counter-offensive by the workers could establish the possibility of the realisation of an alternative based on the expansion of the economy. But the very defeats of the struggles of the labour movement meant that the balance of class forces favoured the interests of capital rather than labour. Furthermore Desai claims that the process of economic change by right wing governments was supported by the electors: “The most surprising aspect of this restructuring was that whilst trade unions, intellectuals and progressives opposed it bitterly, voters approved of it. The Left had always thought that it represented the majority of the people, and that only devious devices kept it from perpetual power. Here was a situation in which governments adopted an anti-worker rhetoric, chose to dismantle well-entrenched industrial structures, defied orthodoxies about progressive taxation and public spending. And yet they got elected again and again.”(Desai p274-275) But the possibility to develop this reactionary result was because of the situation of the important defeats of the struggles of the working class. It seemed that there was no alternative to an apparently powerful role of right-wing type governments. This issue was connected to the failure of reformist type parties to develop and promote convincing programmes of social change in the context of the role of the recession of the capitalist economy. Instead under these circumstances it seemed that only right-wing political parties seemed to have a realistic and credible approach to the attempt to manage the situation which demanded policies based on the principles of austerity. The various reformist partis were unable to articulate a convincing approach that indicated the necessity of an alternative to this justification of the role of the traditional conservative type parties in relation to the management of the crisis of capitalism. Hence the very situation of crisis seemed to imply the necessity of pro-capitalist political parties as the only basis for the management of the problems of the economic system. This aspect was connected to the fact that there was no popular support for the traditional left-wing alternative of the advocacy of socialism which was associated with the repressive limitations of Stalinism. Only the opposition of the trade unions in a defensive manner seemed to imply in a vague sense the possibility to develop an alternative to the domination of conservatism and capitalism.

But Desai contends that what was occurring was a process of the transformation and modernisation of capitalism based on the role of new technology: “Capitalism was not a static, or even a steady state, growing process. It sought profits where it could, and innovation was the one ‘sure’ process by which profitability could be revived.”(Desai p276) Thus capitalism was ultimately maintained and consolidated because it was the only feasible dynamic system. This meant that even if there was occasional opposition to the system this could not represent a viable alternative. Instead the only feasible approach was to accept the continued domination of capitalism and to try and obtain improvements within the limitations of the system. But this approach underestimates the importance of the potential of all the expressions of discontent with the situation of the exploitation of labour by capital. This aspect meant that the workers could not be genuinely reconciled with the continuation of capitalism and instead would act to try and realise improvements that would enhance the realisation of greater influence within the economy and society in general. Therefore, even if an adverse balance of forces meant that labour had to accept the situation of the balance of class forces that favoured the interests of capital, they could never become reconciled to that situation.

But Desai rejects this perspective and instead contends that the failures of Stalinism convinced the workers of both East and Western Europe of the superiority of capitalism. In other words: “Stalinism had promised plenty for the price of unfreedom, but all it had delivered was poverty and unfreedom. Yes, the degree of inequality was low, but this merely confirmed Adam Smith’s tenet that equal societies were poor societies.”(Desai p276) This comment only indicates the reactionary character of the ideology of Stalinism which seemed to suggest that socialism was realised in the form of a repressive one party state. Such a society could not establish a situation of affluence for the workers that was superior to the material gains of the workers in the advanced capitalist societies. Hence it seemed that only the realisation of capitalism would enable the workers of Eastern Europe to acquire a situation of affluence: “Socialism had arisen to challenge the inegalitarian tendencies of capitalism. Its promise was to abolish scarcity along with inequality. It was a programme of human liberation. But the twentieth century priests of orthodox Marxism had done things in Marx’s name that forever compromised his message. Leninism became a doctrine of oppression, scarcity and unfreedom. Socialism outside of capitalism had been born prematurely in 1917 and withered away….in 1991, when the USSR ceased to be.”(Desai p277-278) In other words he implies that the attempt to realise socialism was a doctrinaire expression of the ideology of Marxism and Leninism that was likely to be a failure. This approach was based on the role of an intellectual elite that ultimately was bound to aim to achieve dominant economic and political power for the realisation of its own interests. There never was a credible possibility to realise genuine socialism because Desai considers that this was an unrealistic aim based on the influence of a utopian type of ideology. But this perspective ignores the fact that it is the very discontent of the forces of labour with the domination of capital which continues to generate the basis of possible effective opposition to the continuation of the system. What Desai seems to ignore is the significance of the apparent situation that the workers can never become genuinely reconciled to the domination and capital and instead only accept this situation because of an apparent failure to recognise their possibility to transform the present system. Indeed, Desai has not indicated in a convincing manner that the workers accept the validity of capitalism. Instead he outlines the continued domination of capitalism in terms of the inherent failure of socialism to be a genuine alternative that can be realised. In other words, people seem to be incapable of establishing socialism and instead can only form elite forms of society that suggest that they are socialist but are instead new forms of the exploitation of the producers by a ruling class. This point is not empirically untrue, but it does not mean that the objective to realise socialism is inherently not credible. Instead the very continuation of economic forms of domination over the producers will continue to generate the influence of the aspiration to end all forms of exploitation within the relations of production. However, the issue is whether this discontent becomes effective in terms of the development of serious opposition to the domination of capitalism. This possibility has often been undermined by the inability of the forces of revolutionary Marxism to establish influence within the working class. Therefore, in this situation it would seem that the present system cannot be challenged because of the limitations of the role of the various forms of opposition. Such a situation was according to Desai because of the apparent increased inability of socialist theory to provide an alternative to Keynesian economics which had become antiquated because of new economic developments which seemed to indicate the necessity for companies to be competitive in an increasingly globalised and inter-connected world economy.

The demise of the Soviet Union and the similar societies of Eastern Europe seemed to indicate the apparent limitations of the major expression of the socialist model. Therefore, the following conclusion could be made: “Capitalism survived the twentieth century. Indeed, it did not just survive, it triumphed over the major challenges posed to It: fascism and Leninism. It has eliminated socialism outside of capitalism as a serious prospect. Socialism within capitalism is still around, but it is a pale shadow of its former self…..What is more its gains which seem so solid in the 1970’s full employment, the welfare state, state control of industries and public utilities – have been eroded.”(Desai p303) But this development is because of the very crisis of capitalism which meant that various social reforms had to be ended in terms of the interests of enhancing the profitability of the economic system. Such a development was not possible without the defeat of the working-class movement which acted to try to defend and maintain the economic gains that had been made within the system. It required an offensive of the representatives of capital in order to create the conditions for the undermining of the role of what had become a welfare state. Thus, it was only developments in the class struggle that led to the decline in importance of the welfare state. Desai does not deny that capitalism is a system that involves the aspects of crisis, but he suggests that despite its limitations there is no alternative. This means that he suggests that because of this apparent unchangeable situation the forces of labour have to accept that they can only realise their interests within the limitations of capitalism. He comments: “Capitalism is not a kind or benevolent system. It is the most effective mode of production discovered so far in wealth creation. It has no overreaching objective since it works though the profit seeking efforts of millions of capitalists. It generates economic growth, prosperity, employment as side effects. It also causes much misery and destruction in its tendency towards incessant change. But over the last two hundred years, it has achieved the largest gain in well-being than in all previous millennia.”(Desai p313-314) However if this view was actually a undisputed fact how do we explain the importance of the influence of the alternative of socialism? The point is that people outline the reasons for the alternative of socialism because of the very economic limitations of capitalism which cannot overcome the role of the exploitation of the producers within the process of production. However the importance of this perspective of socialism does not mean that there is a historical certainty that it will be realised. The apparent failure to realise genuine socialism means that capitalism continues but this does not mean that the character of history has ended in the victory of capitalism. This is because people will continue to oppose the exploitative limitations of capitalism and so outline what they consider to be more credible reasons why an alternative to the present system should be realised. There is no conception of historical necessity that implies that the ultimate and defining system is capitalism. Instead its exploitative character means that it will be rejected as necessary. However there has been a difficulty in developing a credible revolutionary party with a credible perspective of change. The failure to resolve this issue means that the capitalist system continues. Desai would suggest this aspect is because the approach of socialism has been proved to be a historic failure. But what has failed is all attempts to construct alternative types of elitist society based on the domination of the role of a privileged party. These elites may have defined their societies as socialist, but this is not what they have created. Hence there has not been a failure of socialism but instead the demise of the various elitist conceptions of the new rule of a privileged elite. However, there is still the outstanding issue of how to develop a strategy that can facilitate the possibility of effective opposition to capitalism. If this issue is not addressed in a satisfactory manner, then capitalism will continue not because of its apparent superiority and expression of the character of history but instead because of this failure to develop an effective revolutionary opposition to the system. In other words, the ultimate problem is the influence of the view that capitalism cannot be opposed or transformed because of this apparent inability to develop an effective form of opposition to the system. Desai would suggest that this situation is because of the apparent superiority of capitalism and the related inability to establish a plausible alternative. But it can be suggested that the actual reason for this failure is because of the limitations of the apparent opposition to capitalism represented by social democracy and Stalinism. Social Democracy has accommodated to the domination of capitalism whilst Stalinism has represented a bureaucratic and oppressive alternative.

Eric Hobsbawm has outlined a possible alternative understanding of history in in ‘Age of Extremes’ (Abacus, London 1994) He outlines what seems to be an alternative view that the domination of the capitalism of the 20th century was continually challenged and could possibly had been ended. He comments: “The decades from the outbreak of the first world war to the aftermath of the second was an age of catastrophe for this society. For forty years it stumbled from one calamity to another. There were times when even intelligent conservatives would take bets on its survival. It was shaken by two world wars, followed by two waves of global rebellion and revolution, which brought to power a system that claimed to be the historically predestined alternative to bourgeois and capitalist society, fist over one sixth of the world’s land surface, and after the second world war over one third’s of the global population. The huge colonial empires, built up before and during the age of empire, were shaken and crumbled into dust.”(p6-7) In other words this description indicates that there developed the possibility of alternatives to the domination of global capitalism. But the problem was that the forces of Stalinism did not represent a genuinely authentic alternative to capitalism because of their authoritarian character. The only genuine opposition to the domination of capitalism was the system of socialism and it could be argued that the transformation of Bolshevism into Stalinism meant that the alternative to the present system was not expressed by this type of social formation. The point is that a bureaucratic social formation could not represent the character of socialism in however an elitist manner. It was not identical to capitalism, but neither was it some type of expression of an emancipatory alternative. Instead ultimately Stalinism represented the very possibility to enable capitalism to continue its ultimate global domination because it expressed the undermining of the possibility to realise genuine revolutionary change and so achieve socialism. Ultimately the very limitations of Stalinism enabled capitalism to continue its domination and to represent what Hobsbawm has described as “Capitalism was a permanent and continuous revolutionizing force.”(p16) This comment would seem to imply that the present system was not able to be challenged and transformed in a progressive and revolutionary manner. But the point is that the very importance of the continued challenges to the domination of capitalism suggest that the possibility to realise an alternative was not impossible. However, there were difficulties that meant the potential to develop a successful alternative became more complicated than the initial advocates of the socialist alternative were able to predict. But the issue that seems to be of primary importance is whether this durability of capitalism was because of its apparent strengths or was it because of the limitations of the opposition to the system. The point is that the very history of capitalism expressed periods of conflict crisis and war, and so the result of this situation was the development of opposition to the continuation of this capitalist society. But the problem was whether this opposition could become effective and so develop a perspective that would result in change. Instead the various Social Democratic parties adapted to the continuation of capitalism and as a result only advocated improvements for the workers within the context of the role of the present economic system, whilst the Communist parties had a primary allegiance to the Soviet Union which meant that the aim of revolutionary change became of secondary importance. The result of the political limitations of these socialist movements was that the capitalist system was not challenged in general terms. Hence the approach of genuine revolutionary Marxism was reduced to the role of small groups. Furthermore, the capitalist system was able to consolidate with the period of boom between 1945-75. This was based on an approach that promoted the role of the welfare state, rising wages and full employment. However, the onset of economic crisis and the politics of austerity has not led to the revival of socialist politics. Instead Social Democracy and Stalinism have been in a situation of increasing political problems and there has been no revival of genuine Marxist politics. Hence thee has been a situation in which the apparent problematical character of capitalism, which has not been restored to a situation of dynamism by its supportive policy makers, is not challenged by the expression of a popular alternative. In other words, capitalism is not maintained because of any inherent dynamism but is instead able to maintain its domination because of the limitations of the perspectives being promoted by its various critics. It is interesting that even a supporter of capitalism like Desai is unable to provide convincing reasons for the continuation of the economic system, and instead in a vague manner implies that there is no convincing alternative to the present system. Thus, even the defenders of capitalism are unable to suggest why capitalism is superior accept to imply in a vague manner that it is not possible to establish the credibility of an alternative like socialism. It has to be analysed whether a supporter of socialism like Hobsbawn is able to provide a convincing critique of these views. He is certainly able to outline various problematical aspects of capitalism, but this only indicates the various contradictions of the system, what is not being established is the credibility of an alternative. Indeed, it could be argued that his primary concern is not to establish whether the working class can be a credible agency of social change. Instead it can be suggested that like Desai his major concern becomes to outline the reasons for the durability of capitalism despite situations of economic and political crisis. Tis failure to establish the importance of the workers as a revolutionary agency of change is not because he is a supporter of capitalism, indeed he is critical of this economic system, but instead there is a scepticism about developing the success of popular movements for radical change. He can accept the importance of the bureaucratic overthrow of capitalism by Stalinism, but he does not also suggest the possibility of change as a result of democratic and popular forms of mass struggle. Instead the era of genuine revolutionary change is limited to the role of the Bolshevik revolution. The result of this approach is that he ultimately cannot contemplate an alternative to the development of the domination of global capitalism, and even Stalinism becomes considered to be an aberration that ultimately will be superseded by the restoration of the domination of capitalism. It could be argued that this approach cannot be empirically challenged. What he describes is the actual history of the character of the history of the twentieth century. But the point is that it also has to be suggested that the actual developments could have been different if it had been possible to develop a alternative and more principled form of Marxist leadership of the people. This is the very perspective that Hobsbawm seems to reject in terms of his analysis of twentieth century history.

Hobsbawn suggests that the Russian revolution of October 1917 seemed to represent the potential for the realisation of an alternative to capitalism and imperialism. However, what became apparent was that this potential was connected to the character of the leadership of the Soviet regime. Both Lenin and Trotsky represented the aim of the advance of the world revolution: “However in 1917 it was clear…… that the conditions for a socialist revolution were simply not present in Russia. For Marxist revolutionaries in Russia, there revolution had to spread elsewhere.”(p58) But the problem was that the very domination of what became the Third International was based on the role of the Bolsheviks, and so this undermined the very necessity to develop the independent initiative of the emerging Communist parties of Europe. The result of this situation was that effective communist parties did not emerge in most countries and instead they accepted the domination of the Bolsheviks as the basis of their politics. This meant they were unable to develop principled and effective strategies of revolutionary change. In Russia the Bolsheviks had shown determination and initiative that had led to their success and ability to maintain political power, but the problem was that a similar type of leadership was not established except in terms of the brief and tragic leadership of Luxemburg in Germany. The various communist parties were not politically competent to be able to develop effective leaderships and strategies that could tackle the complex challenges of the task of revolutionary change. Furthermore, the development of these organisations was undermined by the bureaucratic role of Stalin in the mid 1920’s. Hobsbawm considers that the major problem was the rigid adherence to the model of the Bolshevik party: “It was in 1920 that the Bolsheviks committed themselves to what in retrospect seems a major error, the permanent division of the labour movement. They did so by structuring their new international communist movement on the pattern or the Leninist vanguard of an elite of fulltime ‘professional revolutionaries.”(p69) However it could be argued that this development was inevitable because of the unprincipled political character of what became the major reformist parties during the period 1914-20. The actual major problem was the failure to develop an effective approach to develop an effective form of alternative to these parties. It could be suggested that the various communist parties never developed a principled and efficient type of strategy which could have expressed themselves as being a credible alternative to the role of reformism. Instead the communist parties tended to be either small or to advocate a type of confused political approach which was not able to outline a genuinely credible strategy of change in the conditions of Western Europe. It could be argued that only Gramsci began to address these issues in his notebooks. But he was an isolated voice and instead the communist parties tended to vacillate between reformism and sectarianism. Lenin gave these organisations advice in his ‘Left Wing Communism an Infantile Disorder’, but ultimately the major problem was not caused by the political limitations of the various communist parties but instead originated in the very role of the Bolsheviks. Their domination of the Third International meant that effective and independent parties could not emerge and instead thy acted increasingly to merely implement the aims of the Soviet state. In this context the aim of world revolution could not be consistently advanced. But the problem possibly originated with the very approach of Lenin who considered that the parties in the Third International should essentially accept the dictates of the Bolsheviks. This meant that independent minded parties able to utilise their own political initiative were not likely to emerge. Instead the Communist International became a collection of faithful servants of the politics of the Bolsheviks. There were no outstanding leaders of the calibre of Luxemburg. Hence the very commitment of the Bolsheviks to the aims of international revolution meant that they justified a form of organisational and political conformity. Any dissenting voices were considered to be heretics that should not be encouraged to express their views. The result of this monolithic approach was the creation of an international organisation that lacked the expression of initiative and dynamism, and so it became susceptible to an acceptance of the opportunist orthodoxy of Stalinism. Hobsbawn contends that the problem was the rigid organisation of the various communist parties in terms of an acceptance of the domination of the influence of the Soviet communist party. However, he connects this view to the understanding that situation in Europe was not conducive to the successful realisation of the proletarian revolution: “Yet while the European situation was far from stabilized, it was clear in 1920 that Bolshevik revolution was not on the agenda in the West, though it was clear that in Russia the Bolsheviks were permanently established.”(p70) It is vaguely implied that what was necessary was to construct united fronts with social democracy in order to try and develop the credibility of a long term perspective of social change. This seems to be a reasonable standpoint, but the issue of what constituted a feasible and principled united front with social democratic organisations for the purpose of revolutionary change is not addressed by Hobsbawn. The problem is that social democracy had become committed to reform and was opposed to the revolutionary transformation of society, but these organisations tended to have the majority of support of the workers. Hence the Communist parties were in a minority situation and so could not promote the possible realisation of their aims in a realistic manner. In vague terms the united front was being proposed by the Communist International, but the problem was that the organisations of Social Democracy were not interested in this approach. Hence it seemed that the very divisions between thee left wing parties meant that it was not possible to promote the possibility to realise socialism in a realistic manner. This problem was exacerbated by the fact that Social Democracy tended to have the majority of the support of the workers in Europe. Except for Italy these parties were more important and popular than the Communist party. Therefore, it seemed that the workers supported a reformist approach. But this problem was complicated by the political evolution of the policy of the Soviet communist party under the leadership of Stalin: “In the end the state interests of the Soviet Union prevailed over the world revolutionary interests of the Communist international, which Stalin reduced to an instrument of Soviet state policy under the strict control of the Soviet communist party, purging, dissolving and reforming its components at will. World revolution belonged to the rhetoric of the past, and indeed any revolution was tolerable only if (a)it did not conflict with Soviet state interest and (b) could be brought under direct Soviet control.”(p71-72) Thus the political organisations that genuinely promoted the realisation of the aim of proletarian revolution were small and marginal Marxist groups. This development meant that any development of the mass discontent of the workers in Europe between 1925-40 could not result in the realisation of successful proletarian revolution because of these political limitations. The influence of Social Democracy and Stalinism essentially combined in order to ensure that any mass discontent did not have a revolutionary outcome.

However, Hobsbawn suggests that in different circumstances the leaders of the Soviet Union acted to promote the realisation of the aim of world revolution: “The world revolution….. had visibly advanced. Instead of a single, weak and isolated USSR, something like a dozen states had emerged, or were emerging, from the second wave of global revolution…..Could it not be expected to lead to further advances of the cause of communism?”(p82) But these developments were not in any sense an expression of a form of the realisation of a revolutionary process but instead were the expression of the expansion of the power and influence of the Soviet bureaucratic elite. Any aspect of popular struggle was subordinated to the realisation of the aims of Stalin, and so what occurred was essentially an extension of the influence of the Communist party of the Soviet Union. Hobsbawn is more accurate when he considers that an important role of the USSR was to enable the states of Western Europe to overcome the problem of fascist domination and so enabled the capitalist economy to thrive in the post-war period. However this understanding has to be connected to the fact that the various communist parties of Western Europe never developed credible strategies of revolutionary change and so could not challenge the influence of reformism in an effective manner. Indeed, the Italian and French communist parties became essentially an expression of the reformist approach. Hence there was no popular political organisation seriously advocating revolutionary change in Western Europe after 1924. Only the syndicalists in Spain during the civil war represented some form of possibility of revolutionary transformation. Instead it was the workers in countries like France which indicated by their spontaneous actions the possibilities for overcoming the domination of capitalism. But there was no longer any popular political party that seriously attempted to overcome capitalism and establish socialism in Europe. Instead the only possibility of ending the domination of capitalism became expressed by the role of bureaucratic military expansion of the occupation of Eastern Europe by the Soviet Red army. This situation seemed to be very problematical because as Hobsbawm outlines the world economy was in serious crisis because 1918-39. There were serious periods of crisis which led to mass unemployment, and these issues were expressed in the most serious manner by the slump of the period 1929-33. But as Hobsbawm outlines this period did not increase the influence and effectiveness of the left wing parties because of the ineffective policies that they advocated: “The strengthening of the radical right was reinforced, at least during the worst periods of the slump, by the spectacular setbacks for the revolutionary left. So far from initiating around of social revolution as the Communist International had expected, the Depression reduced the international communist movement outside the USSR to a state of unprecedented feebleness.”(p104) The result of this political limitation of the various Communist parties was the terrible defeat in Germany in 1933. But what Hobsbawm does not seem to emphasise was that this reactionary development was not inevitable because it could have been possible for the Communist parties to promote a more effective strategy for opposing the problem of counterrevolution such as the advocacy of a genuine united front with the social democrats in Germany in order to oppose the prospect of the ascendency of the fascists to power. It could be argued that the ultimate problem was that Stalin had an ambiguous attitude about the possible success of the Communist parties in Western Europe and so he opposed the necessity of the development of united front policies. This meant the communists could not oppose the rise of the reactionary forces in an effective manner. Hence there were the possibility for a successful application of the united front approach, but the reactionary role of Stalin undermined the prospect of applying this approach in a principled and effective manner. The only result of this bureaucratic sectarianism could be the success of the forces of reaction. Hence this development was not inevitable it could have been possible for the communist parties to advocate and apply a united front approach in a principled and effective manner. In this manner it could have been possible to defeat the forces of counterrevolution in Germany and Italy. In France the mass pressure of the workers led to a form of the united front, which became the more opportunist popular front, and the result of this development was that the possibility of counterrevolution was defeated between 1934-39. Hence the victory of fascism in Western Europe was not inevitable and the working class was often willing to oppose this possibility of counterrevolutionary change. Hence ultimately it was the leadership of the Social Democrats and the Stalinists that opposed the development of a militant united front because they recognised that such a development could result in the possibility of genuine revolutionary change. Therefore, the conclusion of Hobsbawm that developments were contrary to the expectations of the socialist type parties is problematical. He comments: “But the fact remains that the immediate result of the slump, at all events in Europe, was the exact opposite of what social revolutionaries had expected.”(p105) On the contrary, the various parties of the workers had acted in an expected opportunist manner in order to defend capitalism from the very possibility of the realisation of revolutionary change. These organisations had wanted to oppose fascism whilst also rejecting the perspective of proletarian revolution. But the result of their opportunism was an actual inability to reject the realisation of the power of the fascists because this objective could only be established in a revolutionary manner. Instead the parties of the workers were unable to even defend bourgeois democracy because of this opportunist rejection of the necessity of revolutionary change. These parties did not seem to understand that an effective united front against fascism could only ultimately realise its aims in terms of the successful achievement of the process of proletarian revolution. But the criticism of Hobsbawm of the ineffectiveness of the left-wing opposition to fascism does not mention this reason for the limitations of this mass movement. Instead he ultimately considers that the depression inevitably undermined the political effectiveness of the socialist parties and this was the major reason for their serious political failure to successfully oppose fascism: “The strengthening of the radical right was reinforced during the worst periods of the slump by the spectacular setbacks for the revolutionary Left. So far from initiating another round of social revolution as the Communist international had expected, the Depression reduced the international communist movement outside the USSR to a state of unprecedented feebleness. This was admittedly due in some measure to the…policy of the Comintern, which not only grossly underestimated the danger of National Socialism in Germany, but pursued a policy of sectarian isolation that seems incredible in retrospect, by deciding that its main enemy was the organised labour movement of social democratic and labour parties (described as ‘social fascist’.)” (p104) Thus the Communist parties had definitively adopted a political perspective that upheld the interests of the Soviet bureaucracy above the priorities to try and advance the development of social change. This situation was also characterised by the decline of social democracy and so it was only in France that the left-wing parties were able to assert some level of political influence. However, it has to be indicated that this very influence was used in order to oppose the possibility of revolutionary change. Hence in the last analysis the role of the social democratic and communist parties was to justify an opportunist accommodation to capitalism rather than represent the possibility for advance towards socialism. This meant that capitalism could remain political dominant despite the aspect of increasing economic crisis. Such a situation was not inevitable because of an inherent economic and political stability of capitalism but instead indicated the influence of the political organisations that supposedly expressed the interests of the workers. There priority was to oppose the possibility of revolutionary change which in terms of the situation in Spain and France was a genuine potential because of the popular militancy of the activity of the workers. Hence it has to be suggested that it was the opportunist role of the Social Democratic and Communist parties that undermined any prospect of the realisation of revolutionary change. Hobsbawm considers that this development was inevitable because of the limitations of the politics of the Communist parties and the increasing ineffectiveness of Social Democracy because of the problem of deflationary economic policies and unemployment in Europe. This point is valid, but we still have to mention that despite the implications of these aspects the workers in some countries were still capable of engaging in militant activity. This meant in relation to Spain and France a principled revolutionary approach by the Communist and Socialist parties could have facilitated the realisation of genuine social change. Obviously, such a development does not mean that revolutionary change would have been inevitable but at least the possibility for success in this context would have been advanced. Therefore, capitalism did not continue in Europe because of any inherent dynamism but instead it was able to remain dominant because of what Trotsky defined as a crisis of leadership within the working-class movement. However, the problem was that the organisations which supported Trotsky could not become a credible expression of a revolutionary alternative for the workers. Therefore, the objective situation in the 1930’s indicated the necessity for the realisation of an alternative and more efficient and emancipatory type of society. But this possibility could not be established because of the reactionary limitations of the political organisations of the workers. Hence capitalism was not a durable system in relation to the economic and political situation in Europe of the 1930’s. But it was able to continue because of the problems involved in trying to develop an effective revolutionary form of opposition to the domination of this crisis prone system.

Instead the major outcome of the situation of the economic and political crisis was the increasing ascendency of forms of fascism in Europe. This situation was favoured by business for the reasons outlined by Hobsbawm: “It must nevertheless be said that fascism had some major advantages for business over other regimes. First, it eliminated or defeated left-wing social revolution and indeed seemed to be the main bulwark against it. Second, it eliminated labour unions and other limitations on the rights of management to manage its workforce. Indeed, the fascist ‘leadership principle’ was what most bosses and business executives applied to their own subordinates in their own businesses and fascism gave it authoritarian justification. Third, the destruction of labour movements helped to secure an unduly favourable solution of the depression for business.”(p129) However this apparent role of fascism in facilitating the possibility of economic stability also meant that capitalism was associated with this form of reactionary ideology and regime. It would seem to the workers that only the realisation of socialism could provide a genuine alternative. Hence the various fascist governments had to resort to the politics of ambitious nationalism in order to consolidate popular support for their various regimes. The only outcome of this development could be the generation of international conflict and this would then re-develop the possibility of the necessity of international workers revolution as the only basis to resolve such a situation in a progressive manner. Hence fascism could only resolve the issue of the potential of revolutionary change in a temporary manner. It was inherently a regime of political crisis that meant that an approach of military and economic expansion was required in order to try to resolve these problems in a reactionary manner. This meant that the possibility of genuine revolutionary change could only be undermined, and not overcome in a definitive manner. Hence the major issue was what Trotsky had defined as a crisis of leadership of the working class which was caused by the opportunist limitations of the social democratic and communist parties. Ultimately it was these organisations which acted to maintain capitalism because of their effective rejection of genuine revolutionary politics. Hence it could not be suggested that capitalism had an inherent superiority or efficiency that enabled it to continue to be dominant. Instead the 1920’s and 1930’s was characterised by a prolonged economic crisis which acquired economic dimensions. Hobsbawm considers the ascendency of fascism in various countries as an expression of the decline of liberalism in economic and political terms. But in actuality it was the logical outcome of liberalism because of the necessity for the ruling class to resolve a situation of increasing crisis in terms of being able to overcome the problem of the potential for revolutionary change by the workers. Fascism was a type of regime based on the aim of resolving the crisis at the expense of the interests of the workers. Hence it was not the opposite of liberalism but instead its logical continuation in terms of the actual expression of continuity which was the defined by the role of capitalism. Fascism was the logical successor of liberalism because in terms of its authoritarian character it aimed to maintain the domination of the role of capital over the workers. Social Democracy was unable to develop forms of principled opposition to fascism because it could only conceive this perspective in terms of the defence of the very liberalism which was evolving into fascism. The result of these opportunist limitations was to essentially accept the domination of fascism because the perspective of supporting liberal democracy could not be sustained. Hence the Social Democratic leadership in Germany vainly tried to establish an accommodation with the fascist government in order to try and maintain the role of bourgeois democracy. But such opportunism had to result in failure. Indeed, it was the political limitations of Social Democracy and Fascism which had resulted in the successful ascent to power of fascism in Germany. The Social Democrats could not acknowledge that only revolutionary forms of struggle could have generated any possibility to oppose the ascent to power of the fascists. However instead of this understanding they ultimately accepted the ascendency of the fascists. Nor did the Communist party advocate any form of genuine and effective form of opposition to this development. Thus the rise of the fascists to power was not inevitable and instead was connected to the political limitations of the Communist party and Social Democrats. These organisations also refused to unite in order to oppose the realisation of the power of fascism. Ultimately, they had no strategy of opposition to these counter-revolutionary developments despite the fact that the workers would have supported a convincing call for united action against the ascendency of the fascists in 1933.

However, Hobsbawm does not seem to tackle these issues and instead defines the situation in terms of a crisis of liberalism rather than that of the working-class movement. He suggests that this development was because the crisis of capitalism led to a political situation of polarisation in which the values and objectives of liberal democracy were increasingly questioned. But this perspective was primarily promoted by the role of fascism. The role of the left-wing forces was to defend liberal democracy against the possibility of this political system being undermined and ended by the role of right-wing reaction. Therefore, the problem became that this very defence of liberal democracy became more important to the left-wing organisations than the promotion of the possibility to establish socialism. This development was expressed by the role of popular fronts which upheld the aim of alliances between left wing groups with the forces of bourgeois democracy. But this very alliance became opportunist and problematical because they resulted in an opposition to the role of working-class radicalism as in France and Spain. The problem was that the popular front was primarily concerned to defend capitalism in terms of the justification of the interests of the workers. But this ultimately meant that all expressions of the initiative of the workers had to be limited to what was acceptable in relation to the interest of bourgeois democracy. In other words, the contradiction between bourgeois democracy and the interests of the working class was not recognised and instead it was necessary to reconcile the objectives of the workers to what was acceptable under the political system of capitalism. This meant that the very possible development of progress towards the realisation of socialism was being undermined in the name of the importance of the defence of bourgeois democracy. The terrible irony of this approach was that when it was necessary to defend bourgeois democracy as in Germany the various working-class political parties proved unable to oppose the victory of fascism. They effectively accepted the victory of reaction rather than seriously attempt to create a united opposition to the progress of fascism. These limitations indicated that there was a potential alternative to the advance of fascism, but the sectarianism of the left-wing parties undermined the possibility to develop the effectiveness of a defence of bourgeois democracy against the progress of authoritarianism. Hence in these detrimental terms the view of Trotsky about a crisis of leadership was tragically confirmed. Hobsbawm contends that these reactionary developments were because of the adverse economic and political aspects of the situation between 1920-40. But the point is that there were powerful working-class movements that proved to be ineffective in defending democracy and in that manner enhancing the possibility for socialism. Ultimately this failure was caused by the failure to develop effective united fronts to oppose the advance of fascism. Instead the very seriousness of the political situation was denied by the complacency of the social democratic and communist parties. They did not seem to recognise that the primary task was to oppose the rise to power of fascism. But the victory of reaction in Germany meant that the possibility of international proletarian revolution was crucially undermined. Capitalism may had been a declining system between 1920-40, but its supporters were prepared to oppose the realisation of the only progressive alternative of proletarian revolution. In this context the working class had a crucial political problem because its political parties were not committed to the aim of revolutionary change in a principled and consistent manner. Only revolution was the alternative to the victory of fascism, but opportunist parties are not capable of recognising the importance of this choice and instead prefer a politics of illusion rather than attempt to develop a credible perspective that could have expressed an effective challenge to the possibility of the victory of reaction. The major problem was that only some very small Marxist groups were able to understand the serious character of the challenges posed by the class struggle. In these adverse circumstances the victory of reaction occurred, and this development indicated that there would be no inevitable triumph of proletarian revolution despite the adverse circumstances and the apparent favourable possibility of the transformation of capitalism into socialism. In other words, the outcome of the class struggle determined the character of the economic and political situation and the apparent crisis of capitalism did not mean that revolutionary change would be an inevitability in these circumstances. Hence a potentially favourable situation for the success of the workers in the class struggle was not realised.

These developments were an indication that the conception of a determinist and inevitable conception of the advance of the process of socialism was shown to be definitely discredited by the events of the period 1914-39. The period of increasing economic and political crisis of capitalism was an expression not of the generation of favourable possibilities for revolutionary change but instead because of the role of Social Democracy and Stalinism it was difficult to challenge the domination of capitalism. Instead these organisations adapted to the continuation of capitalism and they discouraged the development of militant action by the workers as with the role of the Spanish communist party during the civil war. These developments indicated the necessity to develop an effective revolutionary party, but this did not occur and instead the various parties with the popular support of the workers acted to oppose any possible generation of revolutionary type developments. This importance of the subjective political factor was the definitive expression that capitalism would not be changed because of the importance of a period of economic crisis and political uncertainty. Instead the very organisations of the working class acted to maintain the domination of the system, and the spontaneous unrest of the people was not sufficient to realise the possibility of successful change. Therefore, it could be argued that the objective situation favoured the prospect of revolutionary change in terms of situations of economic and political crisis, but the subjective factor to generate this development of social transformation was lacking. In other words, the economic problems of capitalism did not mean that socialism would be the inevitable outcome of the attempt to resolve these issues. This was an indication that there was no dynamic within history that indicated the possibility to realise socialism because of the increasing economic problems of capitalism. Instead capitalism would continue because of the failure to develop an effective revolutionary party in Europe that could lead the struggle for genuine social change. Hence the major expression of change was expressed by the counterrevolutionary role of German fascism and imperialism during world war two. This led to the occupation of Europe, and the development of the opposition of forms of popular resistance. It could be argued that this situation could have generated the possibility to transform these struggles into an opposition to capitalism and so expressed the potential for revolutionary change. But such a development was undermined by the Stalinist character of the role of the resistance. The result was the stabilisation of the domination of bourgeois democracy after the overthrow of fascism in Western Europe, while in Eastern Europe the Soviet Union established its domination: “For practical purposes, as dissident revolutionaries recognized, it was permanent goodbye to world revolution. Socialism would be confined to the USSR and the area assigned by diplomatic negotiation to its zone of influence, i.e., basically that occupied by the Red Army at the end of the war.”(p169) This view implies that the very power of the USSR and the contrasting forces of American imperialism was able to undermine any possible development of a process of genuine revolutionary change. The strength and stability of these forces of counterrevolution meant that any aspiration for popular and principled socialism could not be realised. This is a pessimistic approach that ignores the importance of the role of genuine upheaval in countries like Italy and Greece. The discontent of the workers could have led to popular revolutionary change and the various communist parties could only oppose this possibility in an uncertain manner. Indeed, in Greece it could be argued that there was a genuine connection of the role of the Communist party with popular revolutionary change as occurred in Yugoslavia. Indeed Hobsbawm outlines how the very influence of anti-fascism could have resulted in the development of genuine change: “On the other hand, anti-fascism, however heterogeneous and impermanent its mobilisation, succeeded in uniting an extraordinary range of forces. What is more this unity was not negative but positive and, in some respects, lasting. Ideologically, it was based on the shared values of the Enlightenment and the age of revolution: progress by the application of reason and science; education and popular government; no inequalities based on birth or origin; societies looking to the future rather than the past.”(p176) Therefore a genuine aspiration for radical change was expressed despite the limitations of Stalinism, but it was the role of Stalinism and Social Democracy to undermine the possibility of authentic revolutionary transformation of society. Hobsbawm implies that it was the very opposition of capitalism and communism that undermined the possibility of the realisation of change. But in actuality the official communists advocated accommodation to the domination of capitalism because this was in the interests of the USSR. They opposed any possibility for revolutionary change as in Italy. Obviously, it could not be suggested that the revolutionary transformation of Europe would have been inevitable if the role of Stalinism had not been important. However, it can be said that Stalinism did represent an expression of the influence of a form of reactionary politics which meant that the potential for change by the workers was not realised. But this role did not mean the undermining of the influence of Stalinism and Social Democracy. Despite some indications of discontent within the working class they remained loyal to the Communist and reformist parties. In contrast the genuine revolutionary organisations remained small and ineffective. But the major aspect that led to the increased credibility of the traditional parties of the workers was the post-war boom which led to the ability to create effective welfare states. These societies were able to offer improvements in the social situation of the workers. Hence it seemed in practice that the approach of revolutionary politics had been discredited. In other words, the aim of socialism had seemed to become an abstraction, unless it meant the extension of the role of the Soviet Union in Eastern Europe. Primarily the view that the workers could being about socialism as the result of their actions was being undermined by the apparent ability of social democratic governments to provide measures of important social reform. The actual policies of reformist administrations seemed to be the most practical and feasible manner in which the interests of the workers could be realised. The period 1945-75 was the apparent vindication of socialism from above in both West and East Europe. No longer did it seem necessary that the workers would have to act in terms of their own collective militant action in order to realise a type of society that would be in their interests. Nor did it seem necessary to act to end the role of capitalism. Instead it would be possible to express the aim of the workers within a modified and changed form of capitalist society. The role of socialist parties in government could act in order to change capitalism in a manner that would enable the interests of the people to be realised. Therefore, the objective of socialism became reduced to the perspective of the election of left-wing governments. The revolutionary transformation of society would no longer be necessary in this context, and instead the major task was to ensure the victory of reformist parties in general elections. Thus, the role of democracy was the manner in which the aims of the people could be realised, and so the small Marxist parties could be discredited because they were considered to be anti-democratic. In this context the approach of the popular communist organisations in Western Europe was to support the role of parliamentary democracy as the basis to establish the basis of the expression of the interests of the workers. Essentially, they rejected even their previous formal adherence to the aims of revolutionary change. In these circumstances it would seem that the capitalist system was no longer challenged by any major expression of revolutionary opposition. The ultimate objective of left-wing parties was to modify the character of capitalism by means of reform. But the problem with this approach was that the domination of capital was no longer being contested in a serious manner. Hence the very exploitation of labour was being considered acceptable if gains could be made within the present system. This pragmatic approach could be considered to be necessary as long as gains were being made within capitalism. However the onset of increasing economic crisis meant that this political approach became to be problematical. But the problem was that it was not possible to adopt different and more radical political perspectives for change because of the continued commitment to the modification rather than transformation of capitalism. The point being made is that it would become necessary to adopt a revolutionary approach if the workers were even to maintain the gains made under capitalism. However, it was difficult to realise this necessity because of the very influence of reformism. In other words what the onset of crisis indicated in the 1970’s was that even the gains of the workers made in the post-war period could not be retained without the increased importance of the role of a militant and intransigent approach. Hence reformism had become problematical because only opposition to capitalism could facilitate the realisation of the interests of the workers. It could be argued that this is the very point not made by Hobsbawm. The criticism being made is that the development of the economic crisis of capitalism indicated that only success in the class struggle could realise the interests of the workers. But this is the very reason why reformism became a problematical political approach because it was based on the approach of conciliation between the interests of capital and labour. However, the problem was that the workers had developed illusions that it was possible to consistently realise their interests within an improving capitalist system. Hence the development of crisis meant that this understanding was undermined but the problem was that this situation did not result in the expression of increasing support for a revolutionary perspective. Instead there was a crisis of working class politics and in this context it became possible for the defenders of capitalism to take the initiative and to act to undermine the influence of the role of the producers and to instead act to consolidate the domination of capital over society. This meant that in a period in which the era of reform and social progress was ending the result was not the development of struggle for the realisation of revolutionary type objectives. Instead there was a general disorientation of the workers and the contrasting offensive of the defenders of the system in order to try and resolve the increasing situation of economic crisis at the expense of the interests of the producers. It could be argued that this development was an indication that capitalism was a durable system that could not be challenged in an effective manner. In the short term this point seemed to be correct because the result of the end of the era of the welfare state was the creation of a balance of forces that seemed to favour the interests of capital as opposed to those of labour. However this development was not inevitable and instead was an expression not of the lack of the objective strength of the workers but was instead because of the problems of the subjective factor that was caused by the lack of influence of the objectives of revolutionary change. The problem was that the workers did not become influenced by a revolutionary approach and the related importance of the role of an effective strategy of change. Instead the ruling class remained economically, politically and ideologically dominant in the period of increasing economic crisis of the 1980’s. It could be argued that this development was an indication that socialist was not a feasible alternative. In other words, there was no alternative to capitalism, but militant struggles, as with the miners strike in the UK between 1984-85 was an indication of the possible to develop genuine opposition to the system. Therefore, the situation could not be defined as the inevitable domination of capital but that instead the ruling class was able to remain dominant despite the challenges of developments within the class struggle. This outcome was not an inevitability but was instead connected to the failure to establish the influence of a revolutionary approach. Ultimately the failure was with the limitations of the forces of revolutionary Marxism. It also has to be suggested that in countries like the UK the ruling class was able to utilise the influence of nationalism in an ideological manner in order to identify the interests of capitalism with that of the role of the nation. This popular nationalism became possibly the most important aspect that undermined the prospect of developing the effective influence of an alternative and revolutionary type of ideology. Thus, in this effective manner the very potential for the realisation of the success of a progressive type of politics was undermined and defeated. In this manner it was possible to strengthen the domination of capital over society. The result of this type of success was the effective ending of the role of the welfare state. But this meant that it was no longer possible to justify capitalism as a system of social reforms. Instead the political character of capitalism was reduced to being essentially the defence of the interests of the economic domination of the capitalist class. This aspect could only be justified in demagogic terms by the utilisation of an ideology of popular nationalism. Hence there was increasingly no material interest that could connect the workers to the capitalist system. Instead only the influence of bourgeois ideology could justify the continuation of this type of society. In other words, capitalism could only be defended in the empirical sense that its functioning indicated the inability to realise an alternative. The ideological defence was that history had ended in capitalism, but this did not mean that the contradictions of the system had been resolved. In a sense the supremacy of capitalism continued primarily because of the failure to develop an effective opposition. The problem was this subjective problem rather than the apparent effectiveness of the economic system. Only in these terms could it be argued that there was no alternative to capitalism. This claim could not be made because of any inherent superiority of the economic system but instead because of the failure to realise a revolutionary consciousness of the workers. It was only the ideological domination of the view that there was no alternative to capitalism which meant that in practice that this seemed to be the expression of the actual situation.

This meant that the increasing crisis of the capitalist system did not result in the development of an alternative in a convincing manner. Instead state intervention was utilised in order to establish the conditions for the regeneration of the world capitalist economy in the post-war period: “Certain policy objectives – full employment, the containment of communism, the modernization of lagging or declining or ruined economies – had absolute priority and justified the strongest government presence. Even regimes dedicated to economic and political liberalism now could, and had to, run their economies in ways which would once have been rejected as ‘socialist’.(p272-273) The perspective was that increased government expenditure, limited nationalisation and welfare policies was essential in order to maintain the role of capitalism. A inter-connected world economy developed based on the role of the USA and the increased importance of transnational companies. However, the very economic development of capitalism meant that the role of the working class increased and as a result there was a momentum for the increased influence of the trade unions and the rise of wages. At some point it would be necessary to end this situation in terms of the undermining of this increased power of labour in order to consolidate the domination of capital. Therefore, the era of the welfare state could only be temporary because it resulted in a change in the balance of forces in favour of the interests of the workers rather than capital. In other words, the era of generalised prosperity could only be temporary because it had increased the importance of the workers and so undermined the domination of capitalism. The period of the welfare state and increased economic and social prosperity had immensely improved the social situation of the majority of people in the major capitalist countries. But it could be argued that this very development meant that the effective economic power of labour had increased, and so its ability to be able to influence the character of the economy was greater. This situation could not be tolerated in the long term in relation to the interests of capital. Hence the aim of the reformists to reconcile the interests of capital and labour could not be accepted in a long-term basis. Hence material gains for the workers had to occur within the acceptance of the limitations that capitalism was the dominant system. However, this standpoint was being challenged by the apparent increased influence of the trade unions and the interventionist stance of reforming type governments. The balance of forces had apparently changed in favour of labour and against capital in the period 1945-75. Hence it was necessary for the supporters of capital to introduce policies that changed this situation, and this was expressed by the politics of austerity and mas unemployment of the 1980’s. The working class was on the defensive in this period because it was unable to promote an effective strategy that could oppose this development of the offensive of the political establishment in the interests of capital. Hence this situation indicated that there was no process of progressive change that meant the welfare state would be replaced by the inevitable realisation of a socialist type of society. Instead the balance of forces was changed in the interests of capital by the success of the austerity economics and politics of conservative type governments. It could be suggested that the very success of capitalism was increasingly at the expense of the affluence and welfare of the majority of the people. As Hobsbawm outlines there was an inherent contradiction between the material interests of the people and the dynamics of capital accumulation but the possibility of an alternative did not seem possible because there was no longer any credible expression of an agency of change.

But despite this apparent pessimism he makes the vague hope that: “The future cannot be a continuation of the past, and there are signs….. that we have reached a point of historic crisis.”(p584) But the problem is that if this view is valid it is entirely possible that crisis could essentially only develop new limitations and contradictions to the economic and political system without resulting in change. Hence it could be suggested that society has ended with capitalism despite the increasing problems that this creates for society. However, a principled Marxist would reject this perspective and instead suggest that the major issue is the present lack of influence of a revolutionary Marxist approach. It is necessary to try and establish the possibility for the revival of this approach and so increase its influence within the people. But it is the very influence of the ideology that history has ended in capitalism which is a major reason for the failure to develop this possibility in an effective manner. Hence, we have to develop the understanding of why history has not ended in capitalism. Nevertheless if there is a failure to develop the effectiveness and importance of a revolutionary alternative to the capitalist system then it would seem that it could be convincingly suggested that history has ended in the domination of the present type of economy. This is because any tendency for crisis within the system can be resolved in terms of the interests of the defenders of capitalism if a revolutionary alternative does not emerge in effective terms. In other words, the system will not automatically be subject to a process of demise because of its contradictions and limitations, instead it will continue unless it is consciously replaced by the support of the people for a genuine revolutionary alternative. Indeed, the supporters of capitalism have generally been able to resolve its periods of crisis at the expense of the interests of the people, as in relation to the utilisation of the role of austerity since the 1980’s. Hence Hobsbawm can only outline a vague hope of genuine change. He cannot even establish who would be the agency of this change. In general terms we would argue that the exploited role of labour means that it is still the possible expression of an aspiration for the transformation of society. But the domination of forms of bourgeois ideology means that this change does not occur. Furthermore, people do not have even the vague understanding of what an alternative to capitalism would represent and express. Therefore, the continued discontent of people with their situation of exploitation does not acquire radical dimensions. Furthermore, the small Marxist parties do not seem to express a credible political alternative. If this situation is not changed in a progressive manner, then capitalism will continue even if is often not an efficient system in relation to the realisation of the genuine needs of the people. The very limitations of capitalism will not generate the possibility of revolutionary change unless the influence of Marxism develops in an effective and important manner. In other words, it would seem that history has ended in capitalism, but this would be a pessimistic conclusion because the successful development of an effective alternative is something that people can realise. It is the task of Marxists to advance the possibility of the attainment of these objectives of overcoming the domination of capitalism. The development of a genuine relation of party and class is the only manner which will make possible the actual transformation of capitalism into the more progressive system of socialism.