MANDEL AND GORBACHEV ON STALINISM AND PERESTROIKA BY PHIL SHARPE

INTRODUCTION

Ernest Mandel, who was the leading theoretician of the United Secretariat of the Fourth International, and he argued that it was Trotsky’s theory of the USSR, was vindicated by the events in the 1980’s. The restoration of capitalism indicated that the USSR was a transitional society that was presided over by a parasitic bureaucracy that was not able to impose an effective logic. The USSR was instead a society of crisis and reflected the pressures of the international bourgeoisie for generating tendencies towards capitalist restoration. The alternative was political revolution by the working class, but the cohesion and effectiveness of the workers had been eroded by the ideological influence of Stalinism that led to the undermining of their collective ability to influence the outcome of the process of the disintegration of Stalinism. Consequently, the task of world revolution as the only progressive outcome of the situation still remained to be realised. Mandel’s position is summarised in the following terms: “The victory achieved by Yeltsin, and his proclamation of the supposed virtues of privatization and the free market confirm in their own way the argument that the bureaucratized economy was a deeply contradictory and unstable social formation obliged to move either towards socialism or towards capitalism.”(1)

The fact that the USSR only lasted just over seventy years seems to confirm the view of the orthodox followers of Trotsky who considered it to be a transitional formation that could be defined as a degenerated workers state. But we will try to show that the restoration of capitalism within the Soviet Union was the result of the increasing inability of the economy to provide a surplus for the ruling class, which was connected to the economic failures of Perestroika. The inability to overcome stagnation meant that the system no longer had political legitimacy, and increasing elements of the bureaucracy supported the introduction of the domination of the market and the effective restoration of capitalism. From the middle of 1990, the CPSU became an instrument for restoration via its 500 day plan, and this led to the desperate coup in August 1991 in order to try and maintain the existing system. Gorbachev and Yeltsin united after the coup in order to ban the CPSU and create a restorationist regime. Gorbachev had failed in his efforts to uphold bureaucratic socialism and instead had ultimately capitulated to the forces for capitalist restoration. The depth of the economic crisis meant that the mechanisms for upholding the regime of a non-capitalist ruling class had failed. This meant the political pressure for reactionary economic change became irreversible. Gorbachev’s project was in tatters, and instead the victors were the explicit supporters of capitalism like Yeltsin. Ultimately the Soviet ruling class could not justify the continuation of an economy that was failing to meet even the basic needs of the people. The process of limited democratisation called Glasnost only contributed to the pressure for change. The CPSU was too ossified and inert to be able to provide a progressive alternative. The failings of so-called socialism could only result in the generation of capitalism which was the major rival to the economic and political system of the USSR. It had proved impossible to reform the USSR and realise ‘revolution from above’.

But these developments do not prove that the standpoint of Mandel was vindicated. It was possible to argue that the economic crisis that led to capitalism represented the inability of an exploitative ruling class to introduce progressive change. Instead the promise of reform could only result in the unrest of the working class and the inability of the economy to improve its performance. This situation meant the complete decline in the ideological legitimacy of Gorbachev and the CPSU. Thus the inability to introduce market socialism indicated that the only practical alternative seemed to be capitalism. The system had proved to be unviable because the mode of production could not reform in order to develop the productive forces. Hence the choice was between authentic socialism and capitalism, but the situation favoured the latter because the working class was unsure about what could replace the existing system. The workers did not act to realise authentic socialism and instead the bureaucracy became the social force which acted to restore capitalism. The undermining of the legitimacy of the bureaucracy was because the mode of production it presided over could not improve as a result of a reform programme. Instead economic chaos resulted and the crisis of society became acute. Thus, the system had proved to be transitional because the bureaucracy had proved to be a ruling class that was unable to carry out its economic functions in an efficient manner. Instead the crisis of society could only be resolved by movement to a superior mode of production. This situation led to the introduction of a bourgeois restorationist regime in mid-1990, and the full scale introduction of a bourgeois government in 1991.

MANDEL’S UNDERSTADNING OF THE BUREAUCRACY

Mandel outlines how in a situation of isolation and low development of the productive forces the state acquires immense importance in the economic and political development of the USSR. As a result of the failure of the international revolution the workers state degenerates, and this situation leads to the formation of the privileged Stalinist bureaucracy that does not act in the interests of socialism. The bureaucracy promoted inequality in the mode of distribution and organised economic activity in its own interests rather than the promotion of socialism, which could only occur via international revolution. But the pressures of capitalism are expressed by the influence of the law of value on the planned economy, and so the economy is a hybrid or contradictory unity between a command economy, and the centralised allocation of resources, and the pressures of the world economy that impose the influence of the law of value. These contradictory pressures meant the USSR could not become a new ruling class: “For a ‘new’ ‘bureaucratic’ non-capitalist mode of production to emerge, the Soviet bureaucracy would have to have liberated itself once and for all from the influence of the law of value. However, this would have required not only the disappearance of relations of distribution based on exchange within the Soviet Union itself, but also the total emancipation of the USSR from the world market, that is, the elimination of capitalism on a world scale, or at least in the most important industrialised nations.”(2) Furthermore: “A new ruling class presupposes a new mode of production, with its own internal logic, its own laws of motion. Until now, no one has been able to do so much as outline the laws of motion of a ‘new bureaucratic mode of production’, for the simple reason that no such mode exists.”(3)

However, we only have Mandel’s word that the bureaucratic mode of production cannot allow for the importance of hybrid economic phenomena. The very significance of exploitation indicates the influence of capitalism, but this is limited because the domination of capitalism would imply the end to the monopoly of state power by the bureaucracy. This is precisely why the CPSU carried out what seemed to be the irrational economic act of repressing the kulaks and so ending any prospect of capitalist restoration. However, there is still the influence of the law of value because of the importance of the world economy and as a result of the shortage of consumer goods. The law of value facilitates the allocation of resources that is undermined by the limitations of the command economy. But the domination of the state by the party bureaucracy enables the economy to be controlled by the ruling class, and the working class is exploited as a result. This is the logic of the economy, but it is an inefficient logic because of the waste of resources and the low quality of goods. The ability to extract a surplus is undermined by these aspects, and so the political legitimacy of the CPSU is low. Consequently the system is only able to extract a surplus by means of coercion in the period of Stalin’s despotic rule. The utilisation of ideology, moral and material incentives is ineffective in the post-Stalin period. The system cannot utilise the market to overcome these limitations of inefficiency because of the very fact that this development would result in the generation of a dynamic towards capitalism. Mandel also outlines how increased enterprise autonomy based on the increased role of the managers would create a dynamic towards the restoration of capitalism.

But he explains the contradictions and limitations of the system in the following unsatisfactory manner: “Where the privileges of the dominant classes or strata (castes, etc.) are mainly confined to the realm of private consumption, they have no objective long term interest in a sustained increase in productivity.”(4) The point is that the degenerated workers states theory considers the major contradiction between the privileges of consumption and the interests of the nationalised economy, and the bureaucracy is parasitic on the latter. Hence the actual exploitative relations of production are not examined, and instead domination is reduced to the realm of consumption. What is not explained is how the relations of unequal consumption are connected to the exploitation that must occur between the ruling class and the producers. The nationalised economy is considered to be progressive, yet undermined by the bureaucracy and its increasing pro-capitalist tendencies. Yet in fact there is nothing progressive about the nationalised economy because it is the structural basis for the exploitation of the producers. Only genuine proletarian revolution can create a progressive nationalised economy. In contrast, Mandel contends that the USSR is a bureaucratic society in transition between capitalism and socialism. This could only be the situation if the state was accountable to the working class, as in the period 1917-28. The Stalinist counterrevolution ended the aspect of accountability, and instead generate a despotic regime that was able to exploit the peasants and workers. Emphasis on a progressive nationalised economy, or the inequality of the process of distribution, could only gloss over the fact that the working class had no control over its economic activity and so was exploited. To suggest that the state is a product of the influence of world capitalism and its pressures is true to the extent that the Soviet bureaucracy reacted to this pressure by modernisation of the economy in the form of the coercive exploitation of the working class and peasants. However, to argue that the USSR is transitional between capitalism and socialism is to deny the relations of production are based on the exploitation of the workers within the nationalised economy.

Mandel accepts that the bureaucracy is a fetter on the development of the productive forces, but how is it possible to reach that conclusion if we consider that the nationalised economy is basically progressive? It is only possible to establish this view in coherent terms if we accept that the relations of production are based on the exploitation of the producer within the nationalised economy. Then we can arrive at the conclusion that the irrationalities of the economy are caused by the exploitation of the producers. Mandel describes the various irrationalities of the economy, but he cannot establish a satisfactory cause because he considers the planning aspect of the nationalised economy to be progressive, and so he must establish the reason for this situation outside of the relations of production of the nationalised economy. He rejects any suggestion that the central planning system produces bureaucracy, but what he does not allow for is that the bureaucracy creates the planning process and utilises it as a mechanism for exploitation. Instead planning is conceived by Mandel as being distinct from the role of the bureaucracy, which is considered to be parasitic on the nationalised and planned economy. Hence he argues that there is something progressive about the planned economy, and it cannot be reduced to waste. But this conception of progressiveness is reduced to the vague notion of ‘real planning’. This metaphysical notion ignores the importance of the relations of production that create the planning process. Hence he cannot admit that the process of planning is in the interests of the bureaucracy. However, Mandel admits to the importance of the bureaucratisation of the state by the party, but he cannot admit to its economic consequences. This reactionary political system enabled the bureaucracy to dominate the nationalised economy, and the result was exploitation. In this context the conception of real planning can only be realised when the bureaucracy is overthrown and the producers establish genuine self-management of the economy. This possibility could only occur with revolutionary change and the establishment of authentic democratic socialism.

Instead of this coherent perspective, Mandel’s strategic approach is confused because of the limitations of the degenerated workers states theory. He does not recognise the necessity of a revolutionary transformation of the relations of production. The various instances of bureaucratic mismanagement are outlined by Mandel, such as the hoarding of resources by enterprise directors, but he cannot understand these aspects in terms of the attempt to extract a surplus from the working class. Instead he outlines how ideological confusion about the relationship between the law of value and the economic role of the state expresses malfunctioning in terms of economic activity. In other words the problem is bureaucratic centralism, via the retrogressive role of the state, which is wasteful and repressive, but this situation cannot be understood in terms of the character of the relations of production. The process of planning is not accountable to the producers, but it cannot be defined in terms of definite relations of production. Instead the economy is defined as being not capitalist or socialist. It has an indefinite character with many retrogressive features, but it cannot be understood in terms of the relations between the state as ruling class and the subordinated and exploited character of the working class. This ambiguity can be overcome if we recognise that the effective control of the state by the party generates the development of a bureaucratic class with an exploitative relationship to the nationalised economy. In this context the aspects of waste and inability to develop productivity are because of the inability to promote effective control over the process of the creation of the surplus product.

Mandel outlines perceptively how the organisations of the working class, such as parties and trade unions, have a tendency to create a layer of professional functionaries that undermine the development of militant class struggle and the attempt to overcome capitalism. The Soviet state became composed of the influence of the Bolshevik party combined with the traditional bureaucracy in order to uphold a privileged material-social position. Mandel accepts that this situation leads to a differentiation between the planners and administrators of the economy and the producers. He accepts that this development results in a condition of domination and subordination within economic activity, but he is unwilling to connect this aspect to the possibility of the exploitation of labour. Instead the privileges of the bureaucracy are obtained outside of the sphere of production in relation to the role of consumption such as access to special shops. He does not accept that this situation could be the result of the exploitation of labour being transformed into unequal conditions of distribution of consumer goods. Instead of outlining the relations of production in an uncomplicated manner, he outlines ambiguously how workers can become bureaucrats as a result of careerism and self-improvement. But this only explains the composition of the ruling strata it does not explain the character of economic activity.

Mandel does describe the ideology of the party-state quite effectively. The character of the proletarian revolution is connected to the leading role of the Communist Party. The dictatorship of the proletariat can only be exercised though the importance of the Communist Party. The party and state fuse to form a party state. Only the Communist party can represent the interests of the working class and understand the laws of social development. It is only possible to exercise the leading role of the party via iron unity and the banning of factions, and this development indicates why it is necessary to also uphold the legitimacy of the leaders of the party. The main task of the international working class is defence of the USSR. (5) This elitist standpoint results in a despotic regime of repression. Mandel does not challenge the concept of the leading role of the party, but this must be exercised within a multi-party system. This principled party must also be different to that of Stalinism: “It is true that a vanguard party can best represent the interests of the working class, as well as fighting in a most consistent way for its immediate interests. But that potential will be fulfilled only if the party is solidly implanted in the working class, centralizes the real experiences of the key sections of the class, and critically reviews its own programme and principles through scientific analysis of an ever changing reality. This is impossible without freedom of enquiry and discussion within both the party and society at large.”(6)

The flaw with this understanding is that it does not recognise that the problematical issue is about the vanguard role of the party. There cannot be one party that is the exclusive expression of scientific understanding and the interests of the working class. The very experience of the October revolution indicates that the Mensheviks continued to have an important role that could have contributed to the development of the Soviet regime if the situation was not based on one party rule. In other words multi-party democracy means that the possibility of rule by a vanguard party is unlikely. Instead the political situation will be contested and so result in frequent changes in political power. But, Mandel wants to only modify the situation in terms of the leading role of the democratised vanguard party. As mentioned, this would be a contradiction in terms in a genuinely multi-party system. But he also admits that no one party is infallible, and so will make mistakes and therefore the ‘vanguard party’ will deserve to be voted out of power by another party. But this situation suggests that the claim to be the vanguard party is tenuous, and should be rejected by all those that want socialist democracy to flourish.

Mandel also wants to end the domination of the party-state, but his proposals are also ambiguous: “Emancipation of the working class means self-emancipation and self-rule, and these entail the direct exercise of the power by elected organs of the mass of workers – that is, a strict separation between party and state. The vanguard party attempts to win a leading role within the state organs of workers power, not be resorting to administrative or repressive methods but by convincing a majority of the correctness of its proposals. “(7) He does not seem to recognise that he has actually proposed a new version of the party-state. The actual domination of the state by the party will not have ended, but it is justified as being more democratic and political. This is an apologetic standpoint that fails to understand that the only possibility to undermine the development of the party-state is when the state is based on the self-administration of the working class, and is not accountable to a single party. The point is that if a single party dominates the state the very corrupting influence of power can result in the creation of a state that becomes unaccountable to the working class. This prospect can only be opposed if the mass of workers have an influence over the state. In this context the role of the party may still be to advise the working class, but it will not have the ability to control and dominate the state apparatus. Instead the multiparty system will act to advise the state, but political control of the state will have been replaced by genuine self-administration of society.

The point is that Mandel is not sufficiently alert to the problem of the domination of the state by the vanguard party. He believes that this issue can be resolved by half-measures, but they will actually result in a new type of domination of the state by the vanguard party. Ultimately, he only considers that the revolutionary regime can be upheld by the vanguard party. But historical experience indicates that only when the working class, independently of the party, is able to administer the state will it be possible to establish a democratic state. This possibility is not upheld by suggesting that what is required is a vanguard party that is not Stalinist. The point is that Stalin emerged from within the Bolshevik party, and it was the very political control of the state that enabled him to develop a despotic regime. In order to overcome a repetition of these problems it is necessary to develop a genuine multi-party system that can provide restrictions on the development of the power of any single party, and to also develop a class conscious proletariat that can act to overcome the tendency towards bureaucracy and a single party regime.

Mandel does accept that the centralised power of the party state has to be replaced by a multi-party system. He also believes that this situation should be connected to an increased role for direct democracy, and the de-centralisation of power. People should also be provided with the available information that would enable them to administer society. It would also be possible to provide the basic goods to satisfy the needs of society by means of a democratically agreed plan, which is ultimately decided after broad discussion. This process occurs alongside the development of genuine industrial democracy, and the right of the producers to control the development of the social product. The self-administration of society will be the most effective alternative to the problem of bureaucracy. The problems of this society such as the allocation and calculation of resources, and the role of the market, is glossed over. Hence it is argued that precise calculation of prices under capitalism and socialism is impossible, and the role of the market is rejected as being an imperfect expression of the realisation of consumer demand under capitalism. Thus, it is not surprising that the major argument for socialism is that of utopia, the role of the imagination in defining what is possible: “Utopia, in the broad sense of the word, has been one of the great motors of the eventual achievement of historical progress.”(8) This does not recognise that what is the most effective criteria of the possibility of advance to socialism is the very achievements that have been made possible by capitalism. The point is that capitalism has created the objective material conditions for human emancipation but the crucial problem concerns whether we as human beings can develop the motivation to administer and participate in the flourishing of a society without the class divisions of capitalism. Mandel’s answer to this point is to argue: “Socialists are well aware that irrational drives, passions and preferences play an important part in individual behaviour, and therefore in the life of society. Their cautious historical optimism bases itself on the capacity of human beings gradually to understand and control these irrational aspects of behaviour.”(9) This reliance on historical materialism for confidence in the emancipatory activity of human beings is unsatisfactory. What we know is that certain types of revolutionary regimes will not motivate individuals to promote the flourishing of a socialist society. These types of society have been identified as the party state. The only possibility, and this is still hypothetical, which will encourage the development of socialism is a genuinely democratic system. If this was to fail we could admit that socialism was beyond the ability and consciousness of human beings.

Mandel’s argument in favour of the prospect of socialism is that we can overcome the irrationality of capitalism. The problem is that this standpoint glosses over the irrationality that will be the legacy of the society attempting to create socialism. All that we can attempt to establish is an effective economy that is able to realise human needs through the role of self-management, and develop a political system that is truly democratic and so able to overcome the problem of party-state despotism. Mandel has outlined the principles of this type of society, and so he is aware of overcoming the problems created by the Bolshevik regime. What he is apparently underestimating is the flaws within human beings that may make the possibility of socialism problematical despite inheriting the achievements of capitalism. This is not an issue related to the influence of bourgeois ideology, but is rather about whether people can establish the level of motivation and determination to participate in the administration of a socialist society. Without this motivation society may regress to becoming a bureaucratic party state. This situation would mean that socialism was a utopia of the imagination and capitalism had become impossible to supersede because of the flaws of human nature. However, as Mandel suggests, we have to relate our perspectives to the rationality of human beings. We cannot become pessimistic about the prospect of human advance. The problem is that in making this claim, Mandel does not sufficiently elaborate concerning the prospects of the difficulties involved in the self-administration of a genuinely socialist society. Instead he utilises his optimism about human rationality in order to make an argument for an authentic socialism. The result is that the understanding of socialism is dogmatic and repetitive, not much has been added to the comments of Marx and Engels. But in order to be truly effective would be the outline of a detailed conception of socialism that was more aware of the difficulties and problems involved in the prospects of this type of society. But despite these reservations, Mandel has outlined the principles to provide an alternative to the party state.

GORBACHEV’S PERESTROIKA

Gorbachev denies that there is a serious crisis of socialism. Instead Perestroika responds to the necessity for change which is caused by stagnation and the undermining of economic performance by the ‘braking mechanism’ that results in the end of growth. There has been an emphasis on quantitative growth that is at the expense of the production of consumer goods, and the wages system no longer rewards performance. The quality of goods has been lacking. In order to improve the economy it is necessary to emphasise the role of openness, or Glasnost, and therefore show by the methods of public discussion that socialism is not about those who give instructions and those that follow them. Instead: “People, human beings with all their creative diversity, are the makers of history. So the initial task of restructuring – an indispensable condition, necessary if it is to be successful – is to “wake up” those people who have “fallen asleep”, and make them truly active and concerned, to ensure that everyone feels as if he is the master of the country, of his enterprise, office, or institute. This is the main thing.”(10)

The contradiction that was expressed by this standpoint was that on the one hand Gorbachev proposed a serious transformation of society, and the promotion of a society that would resemble something like authentic socialism, and on the other hand it would retain important aspects of the character of existing bureaucratic rule. Thus the domination of the CPSU over society would not be challenged, and yet this reactionary force was supposed to lead a process of change of revolutionary proportions. The people would be expected to work harder, and be morally transformed by the economic restructuring, and so the level of social responsibility is improved, but on the other hand the people subject the party to scrutiny and so utilise Glasnost in order to democratise society and ensure that the CPSU becomes truly accountable to the Soviet citizens. Perestroika plus democracy brings about the rejuvenation of socialism at the level of economic performance and moral standards. What is not explained is how the CPSU can relax its domination of the economy in order to create something that is an expression of genuine socialism. How can the CPSU tolerate principled self-management of the economy? Ultimately these questions are answered by compromises that satisfy nobody. The promise is that of revolution from above, but this can only occur via the role of revolution from below. But Gorbachev’s uncertainty about his commitment to change means that the result is an expression of impasse rather than consistent support for the transformation of society.

Formally, Gorbachev suggests that the key to the success of Perestroika is genuine support from below, which is to be expressed in the autonomy of enterprises, and an end to centralised control, or the introduction of democracy in the running of workplaces. But the crucial point of commitment to this aim concerns whether this means the effective end to bureaucratic domination of the economy. Is it possible to transform the present system of exploitation into something that resembles genuine self-management? In other words, is the ruling class prepared to effectively liquidate itself and adopt a system that resembles authentic socialism? Gorbachev promises that the changes will be compatible with socialism and democracy: “We assess our successes and errors alike by socialist standards. Those who hope that we shall move away from the socialist path will be greatly disappointed. Every part of our program of Perestroika….is fully based on the principle of more socialism and more democracy.”(11) This view implies that the prospect of capitalism is not intended, instead the aim is to strengthen socialism with the increased influence of democracy. This can only imply reform that will undermine the exploitation inherent in bureaucratic centralisation, and instead promote the perspective of the aim of the creation of an economic system that is truly accountable to the working people. The justification for this view is that it is possible for socialism to innovate and improve. But has Gorbachev appreciated that in order to achieve this aim he has to support the dismantling of the party-state? Instead he seems to suggest that the party will lead this process of Perestroika and Glasnost, just as the party promoted the achievements of industrialisation and the modernisation of society. On the one hand he is aware of the dilemmas and limitations of an educated people being unable to take advantage of the potential of socialism because of excessive centralism and the failure to develop self-administration of society. In this context he is aware of the retrogressive problem of bureaucracy within the economy and society, but he does not connect this issue to the influence of the party which is still considered to have a leading role in the process of reform.

Gorbachev does describe Perestroika as a revolutionary process that is required in order to overcome the limitations in the development of socialism. He does suggest that success in this task requires the overcoming of forces of conservatism, but he refuses to identify the party with conservatism and instead the party should lead the revolution: “And like a revolution, our day to day activities must be unparalleled, and revolutionary. Perestroika requires party leaders who are close to Lenin’s idea of a revolutionary Bolshevik.”(12) The process of change is considered to be a combination of a revolution from above with a revolution from below. However, the problem is whether the party is a suitable instrument for revolutionary change, and will the people support the changes being advocated? The party is not willing to support changes that may end its economic and political domination, and the working class is likely to support democratisation but is not willing to support the logic of market socialism which may imply unemployment. This is why democratisation is meant to resolve these problems. The democratic accountability of the party to the people will overcome the resistance of sections of the party towards the measures of reform, and democracy will encourage the people to support economic measures that they may initially be reluctant to support. In other words through the mechanisms of democracy the people should be able to ensure that the measures of economic reconstruction have been taken in their interests. Thus: “Democratization is introducing substantial corrections into the relationships between those who criticize and those who are criticised. These should be relationships of partnerships built on mutual interest.”(13)

But this is what did not occur. The inequality between the elite that dominated society and those that are subordinated was never overcome by the process of democratisation. Ultimately the development of Glasnost could only go so far in the development of criticism of the ruling groups because the basic inequalities within society were never undermined. Thus the revolution from above never truly became a revolution from below. Gorbachev argued that radical change was not possible without Glasnost, but it was also necessary to supplement this understanding with the view that only the effective demise of the political economy of society would transform the power structures of society. This possibility required the development of popular democracy from below and the dismantling of the hegemony of the CPSU. But, Gorbachev was not prepared to contemplate this possibility because he envisaged change in terms of the crucial importance of revolution from above led by the CPSU. In this manner, revolution from above would control the tempo and direction of revolution from below. This standpoint denied the genuine possibility of revolution from below which could not be limited and controlled by revolution from above. These contradictions meant that finally the revolution from above became completely isolated from society and so could not be completed. This development meant that the only alternative, given that the status quo was untenable, was the restoration of capitalism.

The original aim of the economic reforms was the establishment of enterprise autonomy and the development of democratic methods of management. However, what was problematical about this proposal was that it did not satisfy both the managers, who considered the measures diluted their control, and the workers who had not attained genuine self—management. The point was that the primary problem of the domination of the bureaucracy within the relations of production was not tackled by these measures. Gorbachev and the CPSU considered the issues to be about productivity, efficiency and quality control, these were important but secondary when compared to the necessity to end the domination of the bureaucracy over the relations of production. But never in history has the ruling class proposed its own demise and supported the alternative of the subordinated classes. Instead the bureaucracy came to support capitalism as the only answer to the increasing disintegration of the system. Gorbachev hoped that Glasnost would overcome any disappointment with his limited policy of Perestroika. This did not happen because the social contradictions between the bureaucratic class and the producers was becoming acute. Instead Glasnost only encouraged the articulation of the discontent of the producers. This situation was manifested in the formation of political associations and discussion clubs. The only thing that undermined the development of a pre-revolutionary situation was the confused consciousness of the working class. However, even this discontent was sufficient to end the so-called revolution from above. Increasingly the CPSU became a conservative force that was opposed to reform, and Gorbachev became isolated as the ‘last believer’ in the promise of reform. Furthermore, the CPSU increasingly became advocates of capitalist restoration as the only alternative to the prospect of revolution from below.

Gorbachev had wanted to end the alienation between the state and the rank and file workers. In this task he had failed and instead the only policy option was that of survival of the regime. The point was it was impossible to reform the system, and bring about improvements, because the economy was too inefficient and the tensions between the elite and the working class was acute. But in a sense Gorbachev was historically vindicated because he had implied that only the success of Perestroika would save the system. The failure of Perestroika meant the increasing collapse of the system and the possibility of uncontrolled change, which would imply the restoration of capitalism. This dire situation indicated that there was no alternative to Perestroika if the survival of ‘socialism’ was to be possible. However, Gorbachev, the advocate of revolution from above became mistrusted by the CPSU and the people. This situation was maturing for revolution from below but this was not to occur because of the low level of organisation and political consciousness of the working class. There was not popular support for capitalism but increasingly there seemed to be no alternative to this possibility because of the malaise of supposed socialism. The historic crisis of the economic system was indicated by its inability to meet material needs, and the democratisation of society had not led to increased popular support for ‘socialism’. In this situation the working class was discontented but did not believe in its own revolutionary power, whilst the bureaucracy was lacking in confidence and increasingly accepted the prospect of capitalism.

These acute problems started with the limitations of Perestroika. The reform measures were limited to the election of managers when the workers were aspiring to realise genuine self-management. The CPSU would only envisage reforms that would maintain their economic power, and it was this situation that led to the increasing alienation of the workers and the growing tensions within society. This polarisation led to the crisis of Perestroika, and the end to revolution from above. Perestroika became a theory that was completely lacking in practice. This was shown by the increasing economic crisis and the end to any effective planning. The system could no longer make a surplus and so the historical function of the bureaucracy was ended. In this situation the continued rule of the CPSU became intolerable and the regime announced its defeat with the formal introduction of the 500 day plan for the introduction of a market economy. In these crisis conditions, Glasnost could only become a forum for dissent and discontent. The aim of Perestroika to save socialism had been shown to be a complete failure. In this situation only a desperate coup could masquerade as the attempt to save the system. Only Yeltsin could emerge as saviour in this situation. This meant the creation of an explicit restorationist regime, and the introduction of privatisation replaced what was left of the planned economy. The crisis of the system had been resolved in the most reactionary manner by the formation of a bourgeois government. Perestroika had been completely undermined in practice. (14)

Gorbachev was attempting to reform the system in terms of upholding the unity of the population, and in this manner developing support for socialism. But the economy was too fragile to accommodate reforms, and so the result was its disintegration and the discrediting of the reform programme. The aim was to involve the workers in the election of management in order to enhance their sense of participation in the process of production. But the inability to generate a surplus meant this democratisation policy was undermined because the economy was fragmenting and unable to meet the material needs of the people. This also meant the aim to overcome conservative habits and improve values could not be realised in this deteriorating economic situation. Perestroika was also related to increasing the influence of the Soviets and ending excessive influence of the party within them. It was also argued that the trade unions should do more to uphold the interests of the workers. Only with trade unions approval could the economic plans of the Soviet be improved. The problem is that the ambition to create forms of political democracy in order to promote economic development was undermined by the serious condition of the economy. The process of democracy fails if the economy is not improving.

But possibly the primary problem with the reform programme is that the CPSU is considered to have the leading role in its implementation: “Official opposition does not exist in our country. This places even greater responsibility on the CPSU as the ruling party. That is why we regard the further development of inner party democracy, the strengthening of the principles of collective leadership in work, the broadness openness of the Party, too, as a strong priority.”(15) But it is questionable whether the CPSU reformed itself sufficiently in order to become equal to carrying out the tasks of Perestroika. Gorbachev is adamant that the party can become competent and professional, but he does not accept that the major criteria of the ability of the CPSU would be to test its support in multi-party elections. Instead he still upholds the Stalinist dogma about the importance of the vanguard role of the party. However, he ignores the fact that reform cannot be realised on the basis of the antiquated political system. Only political change will enable the process of Perestroika to be realised. This does mean increasing the political importance of the Soviets, but the most crucial change is the creation of multi-party democracy and the end of the leading role of the CPSU. The failure to carry out this reform, meant with the increasing economic problems, the CPSU became the major instrument of capitalist restoration. This possibility might not have occurred with the accountability of the CPSU to the electorate. A party that was not reformed preferred the most comfortable option when the situation became economically serious and this was to increasingly support the restoration of capitalism by mid-1990. A party that had genuinely reformed and become more principled would have attempted to maintain what it defined as socialism in difficult circumstances. This was the original aim of Perestroika, but increasing difficulties meant the hegemonic CPSU was able to change its policy in the most drastic manner without being made to account by multi-party elections.

In relation to international relations, Gorbachev contends that the world is inter-dependent with common problems, like nuclear weapons, and ecology, that require resolution by means of discussion between nations. The necessity of discussion about serious important international problems means that the aims of the class struggle become secondary. Hence the perspective of world revolution is replaced by the right of each nation to choose its social system: “Universal security in our time rests on the recognition of the right of every nation to choose its own path of social development, on the renunciation of interference in the domestic affairs of other states, on respect for others in combination with an objective self-critical view of one’s own society. A nation may choose either capitalism or socialism. This is its sovereign right. Nations cannot and should not pattern their life either after the United States or the Soviet Union. Hence political positions should be devoid of ideological intolerance.”(16) This is a significant change of position since the period of the 1950’s to the 1970’s. The aim of traditional Stalinism was that peaceful co-existence should be connected to support for world revolution and the expansion of the socialist bloc. This aim seems to be rejected in order to enhance the interests of international discussion about common problems. Instead of world revolution the prospects of socialism are reduced to the choice of national self-determination. The tasks of class struggle have been superseded in priority by the necessity of amicable resolution of crucial issues like the problem of nuclear weapons. This view also implies that the USSR will no longer support revolutionary struggles, except in the most formal sense, and this standpoint is based on the approach that humanitarian interests are more important than the requirements of class struggle. Ending the prospect of war is more important than promoting class conflict.

This standpoint is not a novel innovation. Stalinism has always considered international cooperation to be more important than world revolution, and this aim has been considered in terms of the expansion of the influence of the USSR. However, it is necessary to recognise that even the formal rejection of the relationship between peaceful co-existence and world revolution is related to the serious requirements of the Soviet economy to end the economic burdens imposed by the arms race. Gorbachev requires a successful treaty with the US over nuclear weapons in order to promote the possibility of the success of Perestroika. His modest requirements are cause by the isolated and fragile situation of the Soviet economy. Gorbachev would not claim that the aim of promoting socialism has been totally ended, but rather that this aim is secondary when compared to the requirements of the international situation. It could be argued that this view is not a radical departure from the standpoint of the CPSU, but what is novel is that the aim of world revolution has been rejected in explicit terms. Furthermore, Gorbachev can only envisage closer connections with the other socialist countries and so does not contemplate the end of ‘socialism’ in Eastern Europe, and he expresses sympathy for the nations of the third world attempting to overcome their poverty caused by capitalism and imperialism.

In the period after the announcement of Perestroika, Gorbachev was determined to support the approach of the leading role of the party. He was convinced that the party would be able to successfully carry out the process of economic and political change with the support of the Soviet people. What he did not recognise was that the continued commitment to the importance of the leading role of the CPSU would contradict the emphasis on transforming the Soviets so that they became truly principled representative institutions. He did not recognise that this possibility would only occur when it would become possible to question the leading role of the CPSU via the role of multi-party elections to the Soviets. Instead in an ambiguous manner, Gorbachev suggests that Glasnost will bring about the democratic transformation of society: “By asserting and expanding Glasnost in Party, government, and public affairs, and in the mass media, the Party and Soviet society have set in motion the powerful potential and vast resources of the Socialist system. Without glasnost, there is no Perestroika, no democracy. Glasnost is the natural climate for the life and progress of democratic humane socialism.”(17) What this comment glosses over is that principled Glasnost can only be complete when the leading role of the CPSU can be challenged by the verdict of multi-party elections. Until that development occurs, the character of democracy is ultimately restricted to what is accepted by the CPSU. This situation means that the role of the Soviets are also limited and the one party system is not challenged. Until this issue is addressed then completed Glasnost will not occur. This was the issue never resolved by Gorbachev.

Consequently, despite being dedicated to reform of the system, Gorbachev never challenged the Stalinist dogma about the leading role of the CPSU. This meant the primary instrument for Glasnost and Perestroika was the flawed and corrupt organisation of the party. Hence when the situation became serious and questions became raised about Glasnost and Perestroika, the party began to consider the only option was to contemplate the restoration of capitalism. Gorbachev’s project was flawed because he failed to make a principled appeal to the working class to support and realise Perestroika. But, as leader of the bureaucratic class, this appeal would have been unlikely. Gorbachev would not have become the genuine leader of a revolutionary process. Instead he tried to reform the system using the imperfect instrument of the CPSU, and he failed.

MANDEL’S ANALYSIS OF PERESTROIKA

Mandel suggests that Gorbachev is a representative of the most perceptive wings of the bureaucracy who recognises that without reform the system could have serious problems. But his answer to these problems has resulted in a contradiction between Perestroika, which threatens to undermine the interests of Soviet workers, and Glasnost and its promise of the advance of democratisation. However, Glasnost could also be flawed because: “It will become increasingly clear that the soviets do not exercise real power that a genuine workers power does not exist. Real power in the soviets would presuppose that the workers have the right to select their own candidates. It would also presuppose that the candidates have the right to organize themselves around alternative political platforms distinct from the platform of the Communist Party leadership.”(18) This point is accurate but he does not relate it to the contradictions and tensions of the continuation of the leadership of the CPSU which could result in the dynamic of the restoration of capitalism. He can envisage the failure of the reform process, but the only perspective that he is willing to contemplate is the victory of revolution from below, of the working class. This one-sidedness is the major flaw of his work.

Mandel outlines an analysis of the stagnation of the economy which has led to the consideration of the necessity of reform, such as low growth rates and the unsatisfactory quality of goods. This situation has occurred alongside an increasing intellectual ferment of dissent, with the formation of ecological and feminist movements and growing working class unrest. This situation of crisis is caused not by the coherent location of the bureaucracy within the relations of production, but instead by the tensions caused by its attempt to have privileged access to consumer goods at the expense of the logic of output: “The material interests of the bureaucracy push in the direction of increasing access to goods and services for the bureaucracy itself and not in the direction of optimizing the output of enterprises – not to mention the economy as a whole – and certainly not in the direction of maximizing the rate of accumulation.”(19) If this standpoint was carried to its logical conclusion it could not explain any economic development of the USSR. The system has been able to expand because of the very capacity of the bureaucracy to extract a surplus from the nationalised economy. However, this may not have occurred in efficient terms because of the coercive and crude manner of the planning process and the inefficiency of local management. This situation has precisely led to the period of stagnation which Gorbachev is trying to overcome with the policy of Perestroika. In contrast, Mandel’s analysis of the parasitic and over-consuming bureaucracy cannot explain the period of the rapid development of the productive forces and the dynamic aspects of the economy. Instead his standpoint would suggest a situation of perpetual crisis that would result because of the inability to create surplus product. The priorities of bureaucratic consumption would undermine any chance of developing a surplus. Instead of this arbitrary approach, it is the contemporary problems in creating a surplus that has led to the necessity of the new policy of Perestroika. Indeed, Mandel’s approach is nonsensical because he admits that the acute economic problems are recent when compared to the long term growth of the USSR economy because of the advantages of collective ownership. Hence: “The malfunctioning of the economy and the waste of resources has been a relative and not an absolute brake on the development of the productive forces.”(20) Instead of connecting the question of crisis to the problem of generating a surplus, Mandel instead utilises the vague term ‘bureaucratic malfunctioning’. This could mean anything. Indeed, he has identified the form and not the cause of the economic problems which is connected to the increasing difficulties in developing a surplus. Mandel utilises many facts and figures to indicate the situation of crisis, but he is unable or unwilling to locate the cause in the situation of the increasing difficulties to promote the development of a surplus.

Mandel suggests that the choice is between the increasing possibility of capitalist restoration led by sections of the bureaucracy and the revolution from below of the working class. But he does not connect this perspective to what is happening within the economy. The point is that the increasing inability to apply economic reform measures means that support for the alternative of capitalist restoration increases. Gorbachev has introduced Perestroika precisely in order to undermine the possibility of the capitalist restoration, and as the alternative to genuine workers democracy within production. The success of Perestroika will represent the renewal of ‘socialism’ and therefore the realisation of the improvement of the generation of a surplus product. Hence it is a caricature of reality for Mandel to define Perestroika as revolution from above in order to undermine revolution from below. Gorbachev is not primarily worried about this possibility in 1988. Instead his major concern is the success of Perestroika in order to improve economic performance, and in that matter the social stability of the USSR will be ensured. In this context, he aims for the unity of the CPSU and working class in order to realise Perestroika, or the combination of revolution from above with revolution from below. Thus it would be the failure of Perestroika that would create the conditions for the possibility of revolution from below, because this situation would indicate the inability of the CPSU to improve the economic situation. Under these conditions the impulse for the restoration of capitalism also became greater.

Mandel agrees with the definition that Perestroika means the development of market mechanisms within the planned economy. This means the subsidies on the prices of some goods are ended, and forms of private enterprise will be extended. However, the workers will have an increased ability to elect the managers of their workplaces. Mandel says that this policy is no substitute for genuine worker self-management of the economy. He is right, but this standpoint has to be outlined in more details. The point is that the Perestroika cannot succeed because it ultimately envisages the increased intensification of the exploitation of the working class. The right to elect managers does not overcome the limitations of the undermining of the gains of the working class. Gorbachev is trying to reconcile the irreconcilable. On the one hand he advocates measures that will result in attacks on the conditions of the workers. On the other hand he is in favour of increased trade union participation in the running of the factory. This situation can only be resolved by economic policy being decided by the Soviets, via consultation with the workers and their unions, instead of the Perestroika of the CPSU. Ending the exclusive right of the CPSU to decide economic policy is crucial if the workers are to be able to decide what is in their interests. In this manner they can decide the appropriate relationship between plan and market. What is crucial is who has the political power in order to determine the priorities of the economy.

Mandel agrees that transformation of the economy requires democratisation, and he outlines how genuine Soviet democracy requires the development of a multi-party system: “The soviets will become sovereign and real organs of ‘popular power’ only when they are freely elected, only when they are free to decide on political strategy and political alternatives. All of this presupposes the existence of a recognized legal opposition (the only requirement being actual respect for the Socialist constitution, regardless of ideological position). It also presupposes the right of workers to and peasants freely to elect those whom they wish to elect, independent of political orientation and ideology, and without the party, not to speak the KGB, having the right to veto candidates.”(21) This standpoint is principled, but it is still restrictive in terms of the view that support for the socialist constitution should be the criteria of participation in elections. This standpoint undermines the right of bourgeois parties to participate in elections, and so in that sense elections are still not entirely open. If a successful socialist society is created, the motivation to vote for the bourgeois parties will be replaced by contented participation in the building of the alternative to capitalism. But, Mandel is right to maintain that single party rule restricts the ability to develop genuine soviet democracy, and so Perestroika represents the political authority of the party state rather than being the expression of a flourishing multi-party system. Mandel recognises that the process of the democratisation of society cannot be advanced because of the limitations of the one party state. Hence one of Gorbachev’s major errors is to believe that the reform of society can be carried out under the continuation of the situation of the monopoly of political power of the CPSU.

Mandel indicates that the new party programme of Gorbachev rejects any conception of world revolution or the victory of world socialism. This approach represents a pragmatic accommodation to capitalism, but the proposals of the USSR for nuclear disarmament are welcome. However, the USSR is naïve to believe that it is possible to realise a world without the threat of nuclear war within capitalism. This does not mean that nuclear war is inevitable, rather that the barbarism expressed by the continuation of capitalism can only be definitively ended by world revolution. Mandel hints that the Soviet position is based on the necessity to reduce tensions caused by nuclear weapons in order to promote the progress of the domestic economy. But he then considers that the reason for the Soviet stance is the support for peaceful co-existence: “The attachment of the Soviet bureaucracy to the theory of ‘peaceful co-existence’ is a function of those material interests. Any decisive breakthrough in the world revolution, the taking of power and the democratic exercise of power by the workers in any imperialist country, would automatically stimulate a massive political reawakening of the Soviet proletariat. It would signify the end of the power and the privilege of the Soviet bureaucracy. That is why the bureaucracy is interested in maintaining the status quo in the major countries of the world.”(22)

Mandel is wrong in two important points. Firstly, any decrease in the threat of nuclear war must be welcomed unconditionally as expressing advances towards international nuclear disarmament even if we can only ensure a world without nuclear weapons with the advent of world socialism. Secondly, the new thinking of Gorbachev is a departure from the peaceful co-existence of the former Stalinist regimes in the USSR. The ideology of the mid 1950’s was based on the view that peaceful co-existence was the form of the class struggle during the period of cold war. The ideological aim of the USSR was to expand the socialist bloc as an important aspect of this conflict with capitalism. Hence peaceful co-existence meant the importance of trying to establish socialism peacefully because of the threat that war could become nuclear war. Hence it was not peaceful co-existence that was opportunist and unprincipled, instead it was the tendency of the CPSU to prioritise its own diplomatic interests above those of world revolution. Gorbachev has rejected the previous conceptions of peaceful co-existence precisely because they seem to suggest serious support for the aim of world socialism. His new thinking represents the rejection of the perspective of peaceful co-existence as the strategy of the realisation of world socialism, and instead he adopts a position that explicitly accepts the continuation of capitalism and its domination in global terms. This standpoint is the expression of the justification of socialism in one country that rejects any relationship to international class struggle and the aim of world revolution. His opportunism is in order to assure the USA that the USSR no longer supports the aim of expansion and is prepared to break links with allies like Cuba.

Mandel engages in a discussion of peaceful co-existence as a betrayal of the interests of international class struggle and world revolution without apparently recognising that Gorbachev’s ‘New Thinking’ is a departure from the traditional policy of the CPSU. He does finally recognise that Gorbachev adopts a view of the inter-dependent world, but its actual differences from peaceful co-existence are not articulated. However, Mandel is right to argue that what motivate Gorbachev’s view of foreign policy is the necessity to decrease the cost of the arms race by means of international treaties, and on the other hand to increase trade with the capitalist countries. Mandel says that withdrawal from Afghanistan by the USSR should be supported, but it should not decrease economic and political support for the Cuban and Nicaraguan revolutions. He concludes by suggesting that Gorbachev’s foreign policy should not be absolutely condemned, and instead it should be assessed selectively and progressive and reactionary aspects should be differentiated. What we have to understand are the pressures of imperialism and the internal economic pressures that have led to the New Thinking.

This seems to be a very unsatisfactory methodology. To carry out a comprehensive critique of Gorbachev’s foreign policy, and then to divide it into progressive and reactionary aspects seems to be the model of inconsistency. The point is that Gorbachev’s ‘New Thinking’ does support the aim of nuclear disarmament but in terms of rejecting any support for international class struggle of the working class. This means his overall approach must be that of the conciliation of imperialism and opposition to any promotion of socialist revolution. Hence the withdrawal from Afghanistan is not in order to promote the national self-determination of that country, but rather to appease the reactionary forces of Thatcher and Reagan. This means that he is not likely to continue to support the Cuban and Nicaraguan revolutions, and instead accommodate to the most reactionary forces that oppose these regimes. Consequently, any decrease in military and diplomatic support for Ethiopia is not in order to defend the people of Eritrea, and nor is a call for international peace an expression of humanitarian concern for the peoples of the world. Instead the ‘New Thinking’ on international relations is caused by the acute crisis of the economic situation of the USSR. The historic economic crisis of the mode of production of the USSR means that the CPSU considers it has no alternative than to appease the forces of imperialism in order to create the possibility of international economic support in the form of trade agreements and foreign investment. The end of the arms race would mean the releasing of resources for the possibility of generating a surplus product. We do not know what Gorbachev is actually thinking because he considers he has no alternative than to adapt to the problems of the economic situation by accommodating to the interests of imperialism. Mandel understands this situation, but obscures it by saying we should consider each event in isolation from the other in order to attach the label of reactionary or progressive. This is the method of eclecticism which is a model of inconsistency. Instead we can evaluate Gorbachev in relation to the primacy of the economy for understanding policy. In this context we can understand the consistency of his motives with regards to both internal and external policy.

However, there is one event that is undoubtedly progressive, and that is the decision of the Soviet Union to allow Eastern Europe to realise self-determination in the events of 1989. This meant the CPSU, under Gorbachev’s leadership, did not contemplate any reactionary military interventions in order to oppose the various movements for national freedom. It is true that this action was primarily motivated by concern about what intervention would mean for the success of Perestroika and relations with the major capitalist countries, but it was still a cautious and realistic approach that recognised that the national freedom of Eastern Europe was irreversible. The dismantling of the Soviet Empire must have meant an undermining of the economic power of the USSR, but it was recognised that military intervention could only result in catastrophe. However, the establishment of bourgeois restorationist regimes in Eastern Europe could only have promoted the prospect of capitalist restoration in the USSR. Any success for Perestroika was ended by these events, and the USSR was a regime of survival after 1989. Thus it was not surprising that the plan to adopt a market economy was approved in 1990, and the dynamics towards restoration were truly established. By 1990 Gorbachev had no sense of correct policy orientation given the effective failure of Perestroika and the increasing discontent of the working class because of the disintegration of the economy. The failures of the economy meant the CPSU entered into an acute crisis of political legitimacy, and the situation was being created for the desperate coup of 1991. The only winner in this situation could be Yeltsin, who was the most convinced and enthusiastic supporter of the restoration of capitalism. Gorbachev could not reorient himself to the failure of Perestroika.

Mandel discusses the prospects In Eastern Europe in terms of Gorbachev unintentionally promoting a political ferment. The problem is that he underestimates the significance of the resentment about the domination of the Soviet Empire which can only encourage the influence of anti-Marxist ideas. Hence he is unable to anticipate the character of the developments in Eastern Europe in 1989. The point is that he can only anticipate one outcome, which is the development of revolution that will advance the political power of the working class. Hence he cannot recognise that the Soviet empire has discredited the formal ideology of proletarian internationalism and instead promoted the importance of national independence. This means that the content of this aspiration is not likely to be expressed in terms of the approach of authentic socialism. Instead the disintegration of the Soviet empire was related to the influence of bourgeois democratic ideology. The standpoint of the dissidents was that only with capitalism could democracy flourish. It was effectively argued that socialism was associated with the justification of opposition to democracy and represented a rationalisation for the exploitation of nations. Instead of this understanding, Mandel believed that the Gorbachev effect could only result in the demand for progressive political reforms that would generate the prospect of authentic socialism. Mandel believes that what is the major issue is expressed by Gorbachev’s ability to encourage reform in Eastern Europe in a controlled manner without this leading to demoralisation. But the point is that the process of change went beyond these expectations and instead became the demand for national freedom from the Soviet empire. Mandel’s doctrinal approach cannot understand this development because he does not recognise the importance of the domination of nations by the Soviet empire. Hence he can only conceive of the political revolution as the alternative to the hegemony of the CPSU. His refusal to recognise the influence of anti-socialism in Eastern Europe means that he cannot comprehend the dynamics of change, and how the aspiration for national freedom resulted in the formation of pro-bourgeois governments in Eastern Europe.

Mandel outlines how he believes that the attempt to introduce market mechanisms within a planned economy cannot result in increased efficiency and productivity. Instead the development of the autonomy of the managers to control the economic activity of enterprises can only generate the dynamics of capitalism, (the criteria of profit) or becoming subordinated to the development of a planned economy. He comments: “Gorbachev’s real economic dilemma in the economic domain…..is rather: maintenance of a socialized and planned economy or restoration of capitalism in large scale industry. It is more than probable that Gorbachev…..will work for the former. For that reason, Gorbachev’s policy of massive recourse to market mechanisms in the domain of large-scale industry is economically incoherent – if this is indeed his ‘grand plan’.(23) But Gorbachev’s actual plan is to interact market mechanisms with those of the planned economy in order to promote the efficiency of the planned economy. To this extent he wants to increase enterprise autonomy, and its connection to profit making criteria, in order to increasingly relate the prices of goods to their market levels rather than relate them to subsidies. Hence the aim was to create market socialism. But the problem was that this approach did not result in increased efficiency and productivity, and instead the disintegration of the economy intensified.

This meant the creation of market socialism was a failure, and the alternative was either to try and enhance democratisation within the workplace as an incentive for increased production, or to establish a plan for the restoration of capitalism. The attempt to create democratisation in this situation of crisis was bound to be a failure. As Mandel comments: “A real democracy of the producers, a genuine socialist democracy would indeed be incompatible with market mechanisms that created unemployment.”(24) The attempt to increase the influence of democratisation of the producers could only be half-hearted on the part of the CPSU because it would undermine any success of the role of market mechanisms. The logic of democratisation, and the right of the workers to effectively organise, would undermine the economic power of the bureaucracy, as Mandel is aware. Thus this policy cannot be seriously implemented. But Mandel cannot explain the reasons for the failure of the attempt to promote the market and democratisation, apart from vague references to the limitations of the planned economy and the role of the CPSU. The major basis for these tensions is that the utilisation of the market, and attempts to link worker’s wages to productivity via the limited application of democratisation, have failed to revitalise the economy. Instead disintegration has resulted which has its cause in the failure to increase the surplus product. The ruling class has failed to develop the economy with the support of the workers because of its inherent structural limitations and problems. Market socialism was considered the answer but the limited application of this approach has only intensified the economic problems.

Mandel attempts to answer the question as to whether Gorbachev should be given support for his ‘reform’ project. He contends that reforms that genuinely improve the economic and political conditions of the working class, and which encourage struggle for more ambitious measures, should be supported. The aim is to bring about the intervention of the masses in favour of change. The revolutionary movement considers reforms to be progressive which encourage the struggle for social transformation. But reforms that inhibit the development of these struggles should be rejected as being an expression of the interests of ruling groups: “We have emphasized the duty of revolutionaries to support the struggle for reforms which assist the emancipation of the oppressed and exploited, which improve their conditions of life and work and increase their capacity to struggle. This obviously implies that revolutionary Marxists reject any reforms which under the pretext of improving economic efficiency, lead to a deterioration in the conditions of life and work, and struggle for the workers. This means a concrete analysis of the concrete situation is essential before deciding to support any concrete reform.”(25) This means: “There is no question of accepting or rejecting these reforms en bloc. What is at stake is critical support for or rejection of each reform taken separately.”(26) It has been argued that it is necessary to support Gorbachev because he represents the possibility of radical change against the forces of conservatism and reaction. But Mandel rejects this arguments and argues that ultimately Gorbachev represents the approach of support for a revolution from above in order to oppose the possibility of revolution from below. He wants to maintain the leading role of the CPSU in the process of change. Therefore Mandel proposes support for glasnost and the openness of society, and any genuine attempt to enhance the democratisation of the workplace. He also supports nuclear disarmament but not the conciliation of the imperialist powers, and rejects the increased application of the market and the undermining of the planned economy.

This standpoint can only result in an uncertain and inconsistent attitude towards the proposals of Gorbachev. If we establish a more definite approach it is principled to support Glasnost because that represented the genuine development of political freedom and the right of association within society. Furthermore, Glasnost also promotes the possibility to increase the role of the Soviets, and so expresses the promise of multi-party democracy via the activity of the Soviets. However, the aim of the reform of the economy and the creation of market socialism is a utopian aspiration that does not accept the problem of the limitations of the economy based on the domination of the bureaucratic class. But the alternative is not to defend the existing planned economy against the measures of supposed market socialism. The only policy that will regenerate the economy is the realisation of genuine industrial democracy and the creation of the ability of producers and consumers to decide the priorities and aims of the plan. This means the transformation of the situation is not satisfactorily provided by the perspective of defence of the planned economy because this economy is inefficient and wasteful and is not a historically progressive alternative to the development of an alternative relations of production based on industrial democracy. The aim should be to end the domination of the nationalised economy by a reactionary bureaucratic ruling class. Hence we should be in favour of the effective transformation of the mode of production and not its limited improvement. We should support disarmament not because it has been proposed by Gorbachev but instead because it objectively decreases the possibility of nuclear war. The conciliation of imperialism should be understood as being linked to the limitations of the economy and the necessity for economic agreements with the West in order to improve the prospects of Perestroika.

Also, Mandel dogmatically defines Gorbachev’s approach as a revolution from above that is opposition to a revolution from below. But Gorbachev has established that his aim is to unite the aspects of revolution from above with revolution from below. He wants to promote the role of a united population that succeeds in achieving a successful socialist society. But the problem is that this aim cannot be realised if Perestroika is merely about trying to improve the existing economy. The only way his perspective can be realised is by the total transformation of the economy and the establishment of new relations of production based on industrial democracy. However, the aspect of the unification of revolution from above and below which has been at least partially realised is in the political sphere with the extension of political freedoms. But, the disintegration of the economy means that the attempt to unite the population in favour of improved ‘socialism’ is a total failure. Instead the dynamic becomes that of capitalist restoration or the realisation of genuine industrial democracy. Thus Perestroika in all its aspects cannot be supported because it is an unrealistic reform that can only undermine the interests of the producers and consumers. This means the revolution from above and below has failed, the only genuine revolution is one that succeeds in transforming the relations of production.

Mandel argues that the only principled strategy was to mobilise the working class to bring about the end of the domination of the bureaucracy. This is the most intransigent standpoint, but it does not establish the precise character of what this process of revolutionary change should represent. The point is that Mandel favoured reforming the planned economy to make it more responsive to the population. In contrast we should be more emphatic and recognise that the inability of Gorbachev to promote what he defined as improved socialism was because of the historic crisis of the development of the productive forces. The relations of production were completely inadequate for generating economic growth and improvements to efficiency. This meant the acute economic crisis led to the failure of Gorbachev’s attempt to reform society and instead the situation became increasing responsive to the restoration of capitalism. In this context the revolutionary struggle of the working class was required. The fact that it did not happen meant the restoration of capitalism was a certainty with the ascent of Yeltsin to political power. (27)

In his Postscript, Mandel is able to evaluate the changes in Eastern Europe. However, he makes no mention of the importance of opposition to the Soviet empire, and instead blames low working class consciousness for the non-revolutionary outcomes. But he still complacently concludes that: “But neither did there occur a rapid restoration of capitalism. The most one can say is that parties or coalitions of parties favourable to such a restoration are today in power in Poland and Hungary. Things are not so clear in Czechoslovakia, Croatia and Slovenia, and even less so in Serbia, Romania and Bulgaria.”(28) He argues that the realisation of capitalism has not yet occurred in Eastern Europe because a private capitalist class has not yet emerged. But the point is that the political conditions are receptive to the reintroduction of capitalism because of the character of the state which is bourgeois in aim and interest. Indeed, this situation did result in the restoration of capitalism in Eastern Europe. He argues that class struggle will ultimately decide the question, but what he ignores is that the ideological legacy of the Soviet empire is to discredit the idea of socialism. National freedom is identified with the overthrow of the rule of the USSR, and the related reintroduction of capitalism.

Thus Mandel’s analysis of Perestroika possibly over-estimates the possibilities for revolutionary change and underestimates the influence of the reactionary forces. This is because he does not recognise the limitations of the economy which undermine any prospect of reform and as a result means that the choice is between that of capitalist restoration and revolution led by the working class. Tragically, the working class has insufficient class consciousness to lead a convincing struggle and so the initiative is with the forces which aim to establish capitalism. In a situation of increasing crisis there was increasing working class discontent but this only accelerated the elaboration of the aims of the bureaucracy to support the introduction of capitalism. This culminated in the 500 day plan of October 1990. Furthermore, the Soviet elite was attempting to obtain trade agreements with the West in return for the development of a market economy. This situation led to the failed coup to maintain the system, and then Yeltsin’s ascent to power which restored capitalism.

FOOTNOTES:

(1)Ernest Mandel: Power and Money, Verso, London, 1992 p10

(2) ibid p29-30

(3) ibid p30

(4) ibid p32

(5) ibid p105-107

(6) ibid p110

(7) ibid p110-111

(8) ibid p233

(9) ibid p242-243

(10)Mikhail Gorbachev: Perestroika: William Collins, Bury, 1987 p29

(11) ibid p36

(12) ibid p54

(13) ibid p78

(14)Workers Power: Degenerated Revolution (Second edition) Prinkipo, London 2012 p389-415

(15)Gorbachev op cit p123

(16) ibid p143

(17) ibid p307

(18)Ernest Mandel: Beyond Perestroika, Verso, London, 1992 pxiv

(19) ibid p35

(20Ibid p36

(21) ibid p82

(22) ibid p122

(23) ibid p154-155

(24) ibid p159-160

(25) ibid p185

(26) ibid p185

(27)Workers Power: op cit p404-409

(28)Mandel, 1992 op cit p210