TROTSKY AND HIS UNDERSTANDING OF THE SOVIET UNION

In the ‘Revolution Betrayed’, Trotsky outlines the differences between the character of the Soviet Union under Stalin’s regime and the differences that it represents in relation to what could be genuine socialism. He rejects the possibility that the USSR is an expression of a dynamic that will ultimately be the realisation of a classless society because of the problem of the continuation of aspects of exploitation and domination within society, and the obvious fact that the working class is not able to be the major class force that is able to define the tendencies of development of the social formation. However, the present character of the Soviet Union was based on the fact that a genuine expression of proletarian revolution occurred despite the low level of capitalist development and the unfavourable national conditions for the realisation of socialism. This meant that the issue of the possibility to realise socialism was based on the transformation of the international situation in terms of the success of the process of world revolution. But the failure of the development of this possibility has meant that the character of the USSR has been distorted by its isolation despite the success of the process of industrialisation. The result of this situation is that the possibility to achieve a type of society based on the supremacy of the working class has not been realised despite the ideology of the success of the development of socialism which has been upheld by the Communist party. But Trotsky is reluctant to define this situation in terms of the generation of a new form of exploitative society, instead despite of the various inefficiencies and the privileges of the bureaucracy, what is apparent is that the privileged access to the sphere of consumption has not led to new relations of exploitation according to Trotsky. But how is it possible to have a situation in which the working class is subordinated to the party bureaucracy in terms of the aims and tempo of industrial development without this situation being the expression of the generation of new relations of exploitation? This is an important issue which Trotsky has to address, and it could be considered to be the major problem that he is not able to resolve in a satisfactory manner because of his insistence that the character of the initial revolutionary process has not been completely overcome by the advent of the rule of a new exploiting class. Instead by generating the development of the nationalised economy means that the bureaucracy has to act in an indirect manner in terms of the interests of the workers. Therefore, the situation of exploitation within the relations of production does not mean that the bureaucracy is not in some indirect manner still the agency of socialism, even if this aspect is unsatisfactory and should not be emulated by the experiences of any new revolutions. The tensions in the approach of Trotsky are primarily because he considers that the nationalised economy does in a unsatisfactory manner still uphold the interests of the aims of socialism in terms of the ability to develop the productive forces, which must mean in some manner that the productive forces are being generated in order to create the possibility for socialism. In this manner the assumption is being made that in some sense the character of the nationalised economy is based on the interests of the working class in terms of the possibilities of advances being made towards socialism. But the question that does not seem to be addressed is how can the working class realise the possibilities of this situation if the bureaucracy is able to dominate it and ensure that the character of the economy is being developed in their interests? The only manner in which this tension can be resolved is to imply that the bureaucracy in a reactionary manner is still able to uphold the interests of the workers in the realisation of socialism in terms of the generation of the productive forces which is the creation of the material basis for socialism.

The tensions of the approach of Trotsky was because he ultimately considered the New Economic Policy of 1921-29 as reactionary and which made important concessions to the interests of the rich peasants, or kulaks which could result in the undermining of the interests of the workers and the aims of the development of the industrial economy. Effectively Trotsky could not envisage that there was a possibility to create a situation in which the interests of the peasant economy, which was based on the production of what were the small-scale middle peasant could be connected to the interests of agriculture. Instead Trotsky was for the exploitation of the rich peasants in order to finance the development of industry, which would then be in a position to supply cheap industrial goods to the peasants. But this would mean the end of the NEP. The Left Opposition of Trotsky called for the development of an emphasis on industrialisation, but what this did not establish was how to connect the interests of the peasants with this process. It was assumed that the development of industry would enable a greater amount of high quality goods to be supplied to the countryside, but this standpoint ignored the necessity of the continuation of incentives for the peasants to produce agricultural goods for the city because of the acceptance of high prices for grain. Such a standpoint was denounced by the Left Opposition as a concession to the kulak, and so they did not recognise that the peasants also benefited from high prices for grain. Instead of this recognition of the compatible interests of the peasants and the workers, Trotsky instead emphasises a situation of antagonism in which the peasants were able to create a situation in which they could withdraw food to the cities unless they obtained higher prices for grain. The logic of this situation meant that the policy of the Left Opposition was to advocate that measures be taken in order to undermine the economic strength of the peasants. This implied that it would be permissible to apply coercion against the rich peasants: “In order to feed the cities it was necessary immediately to take from the kulak the daily bread. This could be achieved only by force.”(p36) But in an inconsistent manner, Trotsky does not support the apparent logic of his approach because he considers that the manner in which the Soviet government has tried to carry out the process of obtaining food from the cities, in terms of seizures of grain and the ultimate utilisation of collectivisation to be an adventurist approach that is unable to resolve the issue of the supply of food by the peasants to the cities. But in an inconsistent manner, Trotsky still critically supports the policy of collectivisation, even if he considers that it has adventurist aspects. The point is that there is a tension between the theory and practice of Trotsky’s approach. In theory he is in favour of collectivisation in order to undermine the power of the kulaks and so establish the possibility to enable cheap food to be supplied to the workers, but in practice he is against the manner in which this process has been carried out. In an inconsistent manner he even sympathises with the peasants’ negative reaction to the administrative and coercive manner in which collectivisation is carried out, but this does not mean that he then contends that collectivisation was a wrong policy. Instead the assumption being made is that it should have been carried out in a more rational manner: “The blame for these sacrifices lies not upon collectivisation but upon the …violent methods by which it was carried through. The bureaucracy foresaw nothing.”(p40) And: “The forced character of the new course arose from the necessity to finding some salvation from the consequences of the policy 1923-28. But even so, collectivisation could and should have assumed a more reasonable tempo and more deliberate forms. Having in its hands both the power and industries, the bureaucracy could have regulated the process without carrying the nation to the edge of disaster They could have, and should have adopted tempos better corresponding to the material and moral resources of the country.”(p40-41) Hence the standpoint of Trotsky is that the right policy of collectivisation is being realised in terms of repressive and bureaucratic methods. But what this ambiguous standpoint does not recognise is that it is the actual character of the process of collectivisation under the given conditions to be both inherently premature and repressive. Instead the policy that should have been adopted would be to try and establish a closer connection between city and countryside in more rational and moderate terms, such as by the role of high prices for grain in connection to the production of cheap industrial goods for the peasants. Instead of this viewpoint, Trotsky considers that it could have been possible under a different party leadership to carry out collectivisation in a more moderate manner. But was this option realistic given the importance of the private character of the role of agriculture, which was based on the ownership of the land by the kulaks and middle peasants. It would have been more rational to try and reconcile this character of the process of agriculture with the aims of industry, and so the process of collectivisation would have been carried out in terms of the establishment of the objective basis for the social transformation of agriculture.

The reasons for the contradictions and tensions in the approach of Trotsky was that despite his criticisms of the irrational character of the policy of collectivisation, he still considered it to be necessary and ultimately progressive. He did not recognise that the opposition of the peasants to the process of collectivisation may mean that it was important to establish a different policy in relation to the role of agriculture. Hence the standpoint being adopted is that the correct economic policies are being adopted, but that they are realised in the irrational manner of the application of bureaucratic and repressive methods. This means that the actual policies are not being questioned, and instead it is assumed that the party elite are carrying out the right approach in a mistaken manner. But how is this contradiction possible? The answer of Trotsky is that the social character of the regime is still progressive despite the rule of the bureaucracy, and this means that in a contradictory manner the aims of socialism are being realised in a distorted manner. This apparently illogical standpoint is because Trotsky equates the character of communism with the highest development of the productive forces, and so in an ineffective yet actual manner the bureaucracy is expressing in an inadequate manner these imperatives. Their role is to contribute in a limited manner to the possibility to develop the productive forces and so ensure the potential for the material creation of communism. Trotsky outlines his standpoint in the following terms: “The present Soviet Union does not stand above the world level of economy, but is only trying to catch up to the capitalist countries. If Marx called that society which was to be formed upon the basis of the socialization of the productive forces of the most advanced capitalism of its epoch, the lowest stage of communism, then this designation does not apply to the Soviet Union, which is still considerably poorer in technique, culture and the good things of life than the capitalist countries. It would be truer, therefore, to name the present Soviet regime in all its contradictoriness, not as a socialist regime, but a preparatory regime transitional from capitalism to socialism.”(P47) But what is being accepted is that the dynamic of the USSR is based on an inherent expression of the possibility to create the material basis for socialism despite the domination of the bureaucracy, which actually implies that the bureaucracy can express in a limited and contradictory manner the very imperatives of the productive forces and the aim of communism. In a reactionary and flawed manner, the bureaucracy is an expression of the purposes of the productive forces, but it is also necessary according to Trotsky that the basis to resolve this issue is based on the international situation and the possibility of the advance of the world proletariat. However, this standpoint also implies that in a limited and repressive manner the Soviet bureaucracy can be an expression of the interests of the development of the productive forces and the creation of the material basis for socialism. This standpoint implies that the relationship between the working class and the bureaucracy is complex and problematical. Only when the working class is able and capable to develop the productive forces in an independent manner would it be both feasible and principled to suggest that the overthrow of the bureaucracy becomes justified. But in certain circumstances it could be argued that such a possibility is not a necessary political action. Only the interests of the international revolution, in which the bureaucracy has a counterrevolutionary role, could it be suggested that it is vital to overthrow the Stalinist elite and instead establish a new revolutionary regime. But in these circumstances, it is important that the workers of the USSR be able to develop the productive forces in a more efficient manner than the Soviet bureaucracy. Trotsky seems to argue that in nearly all situations the workers will be able to establish the ability to develop the productive forces more efficiently than the bureaucracy. Hence the apparent contradictions will be resolved by the action of the workers to overthrow the domination of the bureaucracy and in this manner establish a more economically efficient regime. But it could also be argued that this possibility is not inevitable and that in certain circumstances it may be necessary to accept the domination of the bureaucracy for a limited period of time in relation to the requirements of the productive forces. This issue is the most important tension in the approach of Trotsky. The attempt to resolve these tensions is expressed by the following formulation: “The state assumes directly and from the very beginning a dual character: socialistic, insofar as it defends social property in the means of production; bourgeois, insofar as the distribution of life’s goods is carried out with a capitalistic measure of value and all the consequences ensuing therefrom.”(p54) This means the economy is able to achieve a certain level of development of the productive forces because of its expression of the dynamics of the character of socialism, but this aspect is also distorted by the influence of the bourgeois character of the continuation of the importance of inequality because of the domination of the role of the party elite. What is being expressed is the possibility for the socialist aspects of society to become dominant because of the very progressive logic of the importance of the dynamics of the development of the productive forces, which can only result in the enhancement of the influence of the socialist aspects of the economy and society. This process suggests that in some sense the bureaucracy will undermine its own domination because its very economic role is to generate the increased importance of socialism and the growing strength of the role of the working class. Ultimately the resolution of the contradictions of this process is to realise the establishment of the transcendence of the role of the bureaucracy, but failure to achieve this situation could mean the restoration of capitalism via the transformation of the party elite into a new class. But such a situation is unlikely because the very development of the nationalised economy increases the economic and political strength of the working class and so enhances its ability to transform society in the progressive manner of the advance of socialism. This approach implies that the domination of the bureaucracy is tenuous because of the inherent socialist character of society which continually asserts itself and so undermines the perpetuation of the bourgeois aspects of the social formation. However, what is also being implied by Trotsky is the possibility that the delay in the realisation of international revolution could result in a situation in which the bureaucracy continues to dominate the economic and political activity of the Soviet Union, and in these circumstances the character of society is defined by the elite acting on behalf of the workers in order to construct a nationalised economy by means of its utilisation of a situation of domination in terms of the imposition of the distortion of the principles of socialism in terms of the formal reconciliation of the interests of the elite with those of the working class. But such an approach implies that in a distorted manner a type of inferior socialism is being constructed, or the realisation of a conception of ‘socialism from above’.

How can the apparent tensions of this standpoint be resolved? The only manner in which the contradictions of this perspective can be overcome is to outline that the nationalised economy controlled by the bureaucracy cannot be any form of socialism, even in a distorted manner. This means that the nationalised economy is based on the interests of a new ruling class that utilises its domination in order to realise the exploitation of the workers and peasants. Therefore, any development of the productive forces does not represent a tendency for the nationalised economy to represent socialism but is instead the outcome of the domination of the relations of production by what is a new type of ruling class. This development may not have been intended by the ruling elite, but it is the logical result of its domination of the character of economic activity and the denial of any effective participation of the working class in the process of the development of the productive forces, except as the expression of the interests of the new ruling class. In this context the nationalised economy has no logical relationship to the aims of socialism, and so the possibility of socialism could only have been realised by the overthrow of the domination of the bureaucracy by the workers. In contrast to this consistent standpoint, Trotsky does not reject the understanding that in some distorted manner it is possible for the bureaucracy to represent the aims of socialism in terms of its hegemony of the nationalised economy. This view does not mean that he does not recognise that it would be possible to develop a superior form of socialism based on the realisation of the supremacy of the working class, but this means that he differentiates between the actual form of empirical socialism of the bureaucracy when compared to the hypothetical and superior socialism of the working class. Trotsky does not deny the situation of the exploitation of the working class in the present system because of the continued influence of the methods of capitalism in order to enhance the bureaucratic domination of the economy. Hence, he is suggesting that what would be a humane and progressive form of socialism would not have these regressive methods for the enhancing of the ability to develop the productive forces. But the result of his understanding of the unacceptable situation of the importance of the exploitation of the working class does not result in a conclusion that the character of society cannot have any relation to the role of socialism. Instead in a distorted manner it is being suggested that the nationalised economy is progressive and so is the expression of the imperatives of socialism, even if this is being realised in the reactionary terms of the domination of the bureaucracy. But the result of this standpoint is to deny the primary importance of what is a genuine expression of socialism, which can only be based on economic and political democracy via the leading role of the working class. Trotsky is able to justify the tensions in his approach because he can suggest that the progressive character of the nationalised economy means that the bureaucracy must ultimately act on behalf of the working class. However, such a standpoint means that socialism is not primarily defined by an end to exploitation within the economy because of the realisation of the primary role of the working class. Instead socialism is equated with nationalisation and the end of the role of the capitalist. In this context what is a distorted conception of socialism is still considered to be superior to capitalism. However, if we reject the importance of the ambiguities in the approach of Trotsky, we can indicate that the continuation in a new form of the exploitation of the working class cannot be even a distorted form of socialism. Hence the only feasible type of socialism is that which is based on the supremacy of the working class within the process of production. But Trotsky does not recognise this point because to him the most important aspect of socialism is that which is based on the role of the nationalised economy, and the connected role of state planning. In this context it becomes possible for the bureaucracy to be the distorted expression of the character of socialism. The result of these contradictions is to consider the bureaucracy as the elitist and reactionary expression of the imperatives of socialism. This means that there is a tension between the articulation of socialism as it occurs in terms of its empirical limitations and the aim of a superior and higher form of socialism which is based on the overcoming of the role of the bureaucracy. However, it becomes politically possible to defend the present bureaucratic type of socialism because of its progressive relation to the nationalised economy. In this context the aim of the realisation of a superior and more democratic form of socialism seems to be a moral ideal that has little relation to the actuality of what is the flawed expression of actual socialism. In these terms the role of socialism is effectively equated with the role of a bureaucratic class that dominates the relations of production. The result of this understanding is that the emphasis on the criticism of Stalinism concerns its role within the international class struggle, and this reactionary aspect contrasts with the progressive defence of the nationalised economy by the party elite.

The above point does not mean that Trotsky denies the irrational and reactionary aspects of the domination of the nationalised economy by the Stalinist elite. But such criticism is carried out in the context of the accepted superiority of the role of the relations of production when compared to the limitations of capitalism. The result of this understanding means that the emphasis of criticism concerns the inability of the Stalinists to promote the realisation of international revolution. This means that the likely expression of the continuation of the nationalised economy is that which is based on the Soviet Union. The result of this situation is the possibility of either capitalist counterrevolution or the advance of genuine proletarian revolution under new leadership. Thus the expansion of Stalinism is nor anticipated and instead it is considered to be a brief interlude that will be replaced by the success of what is genuine proletarian revolution. In these circumstances the Stalinist form of inferior socialism will be replaced by a society based on the expression of genuine socialism.

Trotsky outlines the development of the rise of Stalinism in terms of the development of the increased influence of the role of the bureaucracy in the situation of the increased isolation of the revolution caused by the setbacks in the class struggle because of the defeats of the attempts of the working class to attain power. But it is also necessary to suggest that there was always a problem because of the fact that the party acted on behalf of the working class in adverse circumstances which meant that it was not possible for the workers to be able to administer and organise society in a direct manner. But this point is not properly recognised by Trotsky because he in some manner considers that the Bolshevik party was principled and was in some sense undermined by the increasing influence of the role of the bureaucracy under Stalin. But this understanding is an underestimation of the importance of the fact that the regime was always based on the substitutionist logic of the party acting on behalf of the class, which could create the possibility for the formation of the role of the domination of a bureaucratic elite, which was the logical result of the privileged position of the importance of the party within society. Instead of this recognition of the problematical relationship of the party and class because of the tendency between 1918-21 for the party to act on behalf of the class because of the decline of the role of soviet democracy and the suppression of the activity of other parties, instead in a problematical manner Trotsky blames the problem of bureaucratism solely in terms of the ambitious personality of the role of Stalin, but this does not explain how Stalin could become dominant in what is still considered to be a revolutionary party. The point is the ascendency of Stalin was the logical culmination of the process of the development of the expression of the role of the party to act on behalf of the class. He was the logical leader who expressed this standpoint, and in that manner the role of the bureaucratic apparatus became the basis of the elitist character of the party and its intention to act on behalf of the working class. But obviously this situation ultimately meant that the party no longer acted in terms of the interests of the workers and this was expressed by the theory of socialism in one country and the rejection of the aims of international revolution. Instead the party was totally committed to act in terms of the narrow and national interests of the soviet bureaucracy. The ultimate result of this development is the creation of the role of Stalin as the dictator who rules the Soviet Union and the end of any importance of the party as an expression of the character of a revolutionary party. But the question that then needs to be addressed is: can a party that is no longer based on the interests of the working class still preside over a type of society that is a worker’s state? It would seem that in these circumstances the role of the party would be to create an exploitative society that was based on the interests of the party elite. In these social conditions what is occurring is that the development of the dictatorship of Stalin has transformed the character of the Bolshevik party so that it now represents different class interests, or the expression of the role of a bureaucratic society that is based on the domination of the party as a new ruling class. But Trotsky is not able to accept this logical conclusion because he can only consider that what has been a political counterrevolution has not undermined the class character of the regime because of the continued importance of the nationalised economy and the related possibility for socialism. But this approach ignores the possibility that the process of political counterrevolution would also result in a similar process of economic change that is based on the development of the supreme domination of a new ruling class that is able to impose its own objectives onto the working class.

Indeed, this point is accepted by Trotsky in the following comment: “The strength of compulsion exercised by the masses in the workers state is directly proportional to the strength of the exploitative tendencies, or the danger of the restoration of capitalism, and inversely proportional to the strength of the social solidarity and the general loyalty a new regime. Thus the bureaucracy – that is the “privileged officials and commanders of a standing army” represents a special type of compulsion which the masses cannot or do not want to exercise, and which, one way or another, is directed against the masses themselves.”(p107) But the point is that if the state has degenerated because of the influence of the elite role of the party, how is it possible for this type of society to still express the character of socialism? Surely what has occurred is the development of a social formation that is based on the interests of a new exploiting class that is able to acquire its situation of domination because of the subordination of the working class within the process of production? But instead of making this conclusion, Trotsky instead insists that the privileged and dominating role of the bureaucracy does not mean that it has become a ruling class because of its privileged role within society. Instead this situation is defined in terms of an elite which in a reactionary manner still is able to uphold objectives based on the aims of socialism. However, Trotsky is able to uphold this standpoint by also suggesting that the rule of the bureaucracy means that the prospects of the realisation of socialism are tenuous: “The justification for the existence of a soviet state as an apparatus of compulsion lies in the fact t hat the present transitional structure is still full of social contradictions, which in the sphere of consumption – most close and sensitively felt by all – are extremely tense, and forever threaten to break into the sphere of production. The triumph of socialism cannot be called either final or irrevocable.”(p111-112) But the fragile aspect of socialism because of the contradictions connected to the domination of the bureaucracy does not mean that the logic of socialism is not being realised, even if this is in some unsatisfactory and elitist manner. Instead what is still being suggested is that the party elite cannot act accept than in a manner which in some limited and tenuous manner still upholds the aims of socialism. Obviously, it would be more satisfactory and emancipatory if the working class was able to direct and supervise this process of the development of socialism, but in an inferior and problematical manner it can still be accepted that the bureaucracy are upholding the interests of socialism in terms of the creation of the nationalised economy. Trotsky accepts that the role and character of the bureaucracy is reactionary because it is based on the domination of the workers and peasants in the interests of the elite, and in this manner, what is apparent is the role of a bourgeois state which is dominated by the privileged bureaucracy. But it is also indicated that this reactionary role is based on the promotion of the role of socialism and opposition to the restoration of capitalism in economic terms. Therefore, we have a bourgeois type state that is still upholding the objectives of socialism! How this situation is possible is not satisfactorily explained, and it would be more logical to suggest that the role of a bourgeois state is connected to the development of a new form of exploitative society. But Trotsky does not make this conclusion.

However, Trotsky tries to evade the issue as to whether society is socialist in terms of the following understanding: “The question whether the present structure is socialist or not will be decided, not by the sophisms of the bureaucracy, but by the attitude towards it of the masses themselves – that is the industrialised workers and collectivized peasants.”(p122-123) But the response of the workers and peasants is not likely to be an affirmation of the socialist character of society because they were aware of the situation of economic exploitation and political repression. In this context the aspect of social inequality would seem to be a conclusive aspect of the fact that society could not be socialist, and to some extent Trotsky seems to agree with this approach. But he also seems to reject such a conclusion because of the importance of the role of the nationalised aspects of the economy which is in an objective manner is also creating the conditions for the possibility of socialism. The very privileges of the bureaucracy in the sphere of distribution and consumption are based on the actuality of the role of the nationalised economy which is also creating the conditions for the realisation of socialism. In this context the aspects of the domination of the bureaucracy within society are not sufficient to undermine the possibility for the continual generation of the conditions for socialism because of the importance of the nationalised character of the economy. But Trotsky also admits that from the class standpoint of the workers this society does not seem to be an expression of the role of socialism and is instead a form of exploitation. But this acceptance of the importance of the subjective opinions of the workers is not sufficient to undermine the contradictory trajectory of society towards socialism. Trotsky is able to make this conclusion because he does not consider that workers management of the economy is a crucial aspect of what constitutes socialism. The primary theoretical problem is that Trotsky does not have a coherent conception of the character of socialism, except to equate it with the development of nationalised production. This means that he does not recognise that the role of workers management of production is indispensable if the possibility to create an economy without exploitation is to be possible. Instead what becomes justified is the understanding that it is feasible to have a situation in which a repressive bureaucratic elite can be the distorted expression of the imperatives of the creation of a socialist economy. But in a contradictory manner he also contends that the measures of the bureaucracy cannot realise socialism: “But in the closer-by preparatory epoch the actual establishment of a socialist society can and will be achieved, not by those humiliating measures of a backward capitalism to which the Soviet government is resorting, but by the methods more worthy of a liberated humanity – and above all not under the whip of a bureaucracy. For this very whip is the most disgusting inheritance from the old world. It will have to be broken in pieces….before you can speak of socialism without t a blush of shame.”(p128) This comment seems to suggest that the bureaucracy cannot express, even in a distorted manner, the aims of socialism. Hence what seems to be suggested is that the bureaucracy is presiding over a new form of exploitative society. But this is not the conclusion being made by Trotsky. Instead he is denying the importance of this comment and instead conserving that despite the reactionary and exploitative character of the role of the bureaucracy it is instead actually advancing in a distorted manner the aims of socialism despite the lack of any meaningful economic and political democracy within society. In this manner the character of production is considered to be progressive despite the unequal access of the bureaucracy to the products of consumption. In terms of the institutions of society, such as the role of the family and the character of culture, the situation is expressed by the role of repression because of the conservative influences of the bureaucracy. But these aspects do not undermine the ultimately progressive role of the economy and its expression of socialist tendencies. Hence in the role of politics and culture, and important aspects of the economy, the role of the bureaucracy is defined as being reactionary and repressive, but such a situation is not sufficient to revise the understanding of the ultimately progressive character of society because of the role of nationalised production.

Trotsky also outlines how the foreign policy approach of the bureaucracy has become to reject the aim of world revolution in favour of an effective accommodation with the forces of imperialism. The possibility to overcome the problem of the restoration of capitalism via the success of foreign armies against the USSR requires the advance of the process of international revolution. But Trotsky does not conclude that the reactionary character of the foreign policy of the USSR is because of the development of a new form of exploitative society. Instead he concludes that the opportunist international aims of the bureaucracy undermine the essentially progressive character of the Soviet economy and the related necessity of the advance of world revolution if socialism is to be consolidated and reinforced. Hence the aim of international revolution is the primary basis to uphold the socialist character of the USSR. Ultimately it will be the success of the class struggle in international terms that will defend the progressive aspects of the Soviet Union: “The fate of the Soviet Union will be decided in the long run not on the maps of the general staffs, but on the map of the class struggle. Only the European proletariat, implacably opposing the bourgeoisie and in the same camp of the “friends of peace”, can protect the Soviet Union from destruction….Even a military defeat of the Soviet Union would be only a short episode in case of a victory of the proletariat in other countries. And on the other hand, no military victory can save the inheritance of the October revolution, if imperialism holds out against the rest of the world.”(p231-232) Therefore the question of the class character of the Soviet Union ultimately depends on the issue of the international balance of class forces. The defeat of the working class in the international class struggle will result in the ability to restore a reactionary regime in the Soviet Union that will undermine all aspects of socialism in that society. But the victory of the world revolution will enable the process of the regeneration of socialism in the USSR to occur. In actuality, the world war led to the expansion of the power of the Soviet bureaucracy. This indicated that the system of bureaucratic domination had become stabilised and that all aspects of socialism in the USSR had become overcome by the establishment of the ability of the bureaucracy to dominate both nationally and internationally.

Trotsky’s position can be contradictory. He is quite capable of providing comments as to why the character of Soviet society is opposed to the generation of socialism. Thus: “State property becomes the property of “the whole people” only to the degree that social privilege and differentiation disappear, and therewith the necessity of the state. In other words: state property is converted into socialist property in proportion as it ceases to be state property. And the contrary is true: the higher the Soviet state rises above the people, and the more fiercely it opposes itself as the guardian of property to the people as its squanderer, the more obvious does it testify against the socialist character of this state property.”(p237) But this comment would seem to suggest that the character of Soviet society has nothing in common with socialism, and instead it would imply that what has occurred is the development of a new type of exploitative social formation based on the domination of the economy by the bureaucracy. But Trotsky does no make this conclusion because he still insists that despite the anti-socialist role of the bureaucracy the character of the nationalised economy is based on the impetus to advance the aims of socialism in a reactionary manner. However, this perspective is also undermined by the explicit recognition that the workers are exploited within the relations of production by the superior role of the party bureaucracy: “The workers lost all influence whatever upon the management of the factory. With piecework payment, hard conditions of material existence, lack of free movement, with terrible police repression penetrating the life of every factory, it is hard indeed for the worker to feel himself a “free workman”. In the bureaucracy he sees the manager, in the state, the employer. Free labour is incompatible with the existence of a bureaucratic state.”(p241-242) This comment would seem to suggest that the situation is expressed by the systematic exploitation of the workers in the process of production by the bureaucracy acting as a new form of exploitative class. In this context the role of nationalised property would imply that it is merely the expression of this process of the subordination of the workers within the relations of production. But ultimately Trotsky does not make this conclusion because he considers that the character of nationalised production is contradictory. On the one hand it expresses the exploitative subordination of the workers within the economy, but on the other hand it represents the ability to develop the productive forces and so create the material basis for socialism. This standpoint is problematical because this point could be made about capitalism, which is based on the exploitation of labour by capital as the basis to develop the productive forces. Hence the very arguments of Trotsky only reinforce the view that a new type of exploitative economy has been created because of the ability of the working class to define the character and purposes of the relations of production. He actually indicates the reasons why the bureaucracy is a new ruling class because of its ability to dominate and exploit the workers within the process of production. In this manner there cannot be any expression of a socialist aspect to the economy and instead the role of nationalised production is the manner in which the process of exploitation is occurring.

Trotsky overcomes the contradictions in his position by effectively denying the significance of the role of the exploitation of the workers within the economy, and instead equates the economy with the role of nationalised production which is preparing the basis for socialism. In this context what is reactionary is the role of the bourgeois mode of distribution: “Two opposite tendencies are growing up out of the depth of the Soviet regime. To the extent that in contradiction a decaying capitalism, it develops the productive forces, it is preparing the economic basis for socialism. To the extent, that, for the benefit of an upper stratum it carries to more and more extreme expression bourgeois norms of distribution, it is preparing a capitalist restoration. The contrast between forms of property and norms of distribution cannot grow indefinitely. Either the bourgeois norms of distribution must in one form or another spread to the means of production, or the norms of distribution must be brought into correspondence with the socialist property system.”(p244) Thus it is argued that there is an inherent tendency towards the realisation of socialism because of the development of the productive forces on the basis of the nationalised economy, but that the possibility to achieve this possibility is undermined by the role of the bureaucracy. Therefore, if the domination of the bureaucracy is ended the realisation of the tendencies for socialism can be genuinely and consistently established. But the problem with this conception that socialism is the supressed and potential expression of the character of the economic and political system of the USSR, is that a similar point could be made about capitalism, but this potential for the realisation of an emancipatory alternative does not overcome the importance of the role of the exploitative domination of a ruling class over the role of the producers, or workers. This point could also be made about the character of the USSR. The fact that the bureaucracy acts as an exploitative class because of the subordination of the role of the workers is accepted by Trotsky but he then in an inconsistent manner denies the importance of this aspect because he insists that the bureaucracy is only reactionary to the extent that it is based on the process of bourgeois norms of distribution. Hence the result is a confused standpoint that in an empirical manner suggests that the bureaucracy does exploit the working class within the relations of production, but that this aspect is denied in terms of the character of the system in which the reactionary role of the bureaucracy in terms of the importance of unequal access to the proceeds of consumption is emphasised. But how is it possible to establish a situation of unequal access to the rewards of consumption without the dynamics of the role of the exploitation of the producers which creates the material basis of this possibility? Trotsky does not seem to answer this question because he does not seem to connect the relationship of production and consumption. Instead in an autonomous manner he implies that the inequality of the process of distribution is because of the dominant political power of the bureaucracy, and so this aspect is not connected in an integral manner to the role of production. Instead the character of production is defined in terms of the role of nationalised property which is defined in terms of its progressive possibilities to establish the material basis for socialism. The fact that this very aspect cannot function and create production without the role of the exploitation of the producers seems to be ignored and instead in a one-sided manner the emphasis is on the potential of the nationalised economy to create the material basis for socialism. Hence the relations of production of the bureaucratic economy are not explained, and the dependency of the development of the productive forces on the exploitation of the workers is not elaborated in a significant and systematic manner. Instead the fact that the bureaucracy has unequal access to the proceeds of consumption is only indicated in terms of the political domination of society by the party elite. But the point is that without the ability of the workers to be able to define the character of the development of production according to their own interests, a situation will occur in which they are exploited in terms of the interests of the bureaucracy who effectively acts as a dominant class because of the subordination of the workers within the process of production. Trotsky seems to ignore this point because he does not recognise that any form of socialism requires the development of the economic democracy of the producers. If this aspect is not expressed in terms of the relations of production, then the situation must be characterised by the influence of the role of the exploitative domination of the workers by the ability of the party elite to extract a surplus from them in the process of production. In this manner the contradiction is not between the apparently progressive character of the role of production in comparison to the reactionary character of distribution, but instead the exploitative basis of the relations of production is the basis for the aspect of unequal privileges in the process of distribution.

The point being made is that it is not possible to envisage the possibility for the bureaucracy to dominate society without it having the connected ability to be able to exploit the producers within the economic relations of industry and agriculture. The privileges of the bureaucracy are only a feasible aspect of this situation. Hence it would be illogical to define any aspect of this type of society as expressing the tendencies for socialism. Instead socialism only becomes a possibility with the overthrow of the role of the party elite or bureaucracy. In this context the nationalised economy does not express any inherent possibility for the realisation of socialism because its present character is defined by the expression of the domination of the bureaucracy and the exploitation of the producers. Therefore, the progressive potential of the nationalised economy is not a present aspect of the society that Trotsky is describing because it functions in accordance with the intentions of the bureaucracy to exploit the workers, and so the possibilities of the productive forces can only be realised with the end of the domination of the bureaucracy, which requires revolutionary change. This means that the society as it functions, and which is inconsistently explained by Trotsky, is an expression of the subordination of the interests of the workers to those of the bureaucracy within the process of production. Therefore, it has to be defined in Marxist terms as a new form of exploitative society. The only matter of dispute is whether this means that it is a new type of the subordination of the producers within the relations of production or is instead a type of state capitalism. Trotsky argues that state capitalism has never existed in terms of the capitalist countries because they are generally based on the role of competition between private companies. This may be a valid point, but it does not necessarily apply to the different circumstances of the Soviet Union. In this situation the character of production was related to the role of the workers state, which was initially based on accountability of the government to the working class via the role of the soviets and the communist party. But eventually the party effectively ruled on behalf of the workers, and so it could be suggested that the character of the state was defined by the fact of a degenerated workers state in which the workers effectively alienated political power to the party. This situation could only be temporary and so would be replaced by the restoration of a genuine workers state based on the working class administering the economy and society, or the consolidation of the bureaucracy as a new type of ruling class. This latter situation occurred with the consolidation of the economic and political power of Stalinism, which was opposed to any possibility of the realisation of genuine socialism and rejected the promotion of international revolution. The result was the formation of a bureaucracy which exploited the workers within the relations of production. If the aspect of exploitation was the only aspect that defined the character of society as state capitalist it would be capitalist, but what was not present was the aspect of competition between rival capitalist companies in terms of producing commodities for the market. Instead the state had monopoly power over the process of production and exchange. In other words, Trotsky is right to suggest that state capitalism is not possible within the major capitalist countries and is also did not occur within the USSR. Instead the bureaucracy established a new type of exploitation of the producers based on the role of its state power and control of the economy, which had aspects of capitalism, but was also different to capitalism in terms of the lack of competition between private companies. The similarity to capitalism was because of the exploitation of the produces by an alienating economic process of domination of the producers, but the omnipotent role of the state meant the lack of the aspects of typical capitalism which is based on the role of competition between the major companies. Indeed, Trotsky is right to question whether state capitalism could occur because of the importance of the role of competition as the basis for the realisation of the profit of companies under capitalism. The state is not capable of taking over the role of companies, and so it is more likely that state capitalism is generally a hypothetical possibility that is not likely to be realised by the dynamics of the competitive character of capitalism. However, the fact that state capitalism is not present in the USSR did not mean that a new type of exploitative society was not created. Instead the exploitation of the working class for the purpose of accumulation of capital meant that a new type of reactionary social formation had been created.

Trotsky seems to be correct to argue that the character of the intervention of the state in capitalist countries is in order to uphold the role of private ownership of the means of production, but this does not mean that state capitalism is not possible. Instead it could be argued that under the circumstances of the bureaucratic degermation of the Soviet Union the role of the state is to become an expression of the structural basis of the process of the imposition of the exploitation of the producers within the relations of production. This development has the characteristics of a situation based on state capitalism, but the society is still not capitalist because of the lack of the role of the creation of genuine commodities for the market. In this manner the character of the economy is defined primarily by the importance of the process of the accumulation of capital by the state because of the importance of the exploitation of the producers. Hence it represents a type of society which has features of capitalism, but which cannot be defined primarily as capitalist. Instead it is a new type of exploitative society based on the domination of the nationalised economy by a ruling class as a result of its supremacy within the relations of production. It is not the nationalised economy which undermines the possibility to realise this society as capitalism, because this is the form in which the exploitation of the producers occurs, but it is instead the fact that this type of society lacks the dynamics of the role of companies which are able to compete on the market and so realise the process of accumulation in this manner. Instead there are differences within the process of accumulation of the bureaucratic society. The result of this situation is that the ability to realise the process of consumption is completely inadequate in this context because of the lack of a genuine market in which the process of the sale and exchange of goods could occur. This means that accumulation is based on the ability of the system to ensure that the exploitation of the producers means that a return on the investment of the state produces a profit as a result of the production that is created and becomes the property of the central planning mechanism. But such a situation is often inefficient because there is no incentive for the producers to create high quality goods as a result of the investment of the state because they cannot obtain high quality goods with the wages that they receive for the process of production. The result of this situation means that waste and the creation of low-quality goods is often the result, but this situation can be satisfactory to the bureaucratic planners as long as the workers still accept, even in a limited form, the imperatives of the planners. What results is a system in which the development of the productive forces is not very dynamic, except in terms of military production, because there is no dynamic to promote the creation of high quality and efficient forms of production. Instead the aim of the system is to ensure the continuation of the supremacy of the bureaucracy over the working class in the relations of production. Few people believed that this situation represented the generation of the material conditions for socialism, because it was understood that exploitation and alienation was a central aspect of the relations of production.

However, Trotsky rejects the above standpoint. Instead he contends: “The nationalization of the land, the means of industrial production, transport and exchange, together with the monopoly of foreign trade, constitute the basis of the Soviet social structure. Through these relations established by the proletarian revolution, the nature of the Soviet Union as a proletarian state is for us basically defined.”(p248) The logical absurdity of this standpoint is to accept the view that despite the acceptance of the exploitation of the producers within the process of production, it is being argued that the nationalised aspects of the economy as a result of the proletarian revolution means that the type of social formation is being defined as a workers state. But there is not any aspect of society that still represents the influence of the working class. Instead the character of both the economy and the political structure is defined by the absolute power of the bureaucratic class and its ability to establish a situation of supremacy in which it is able to dictate the imperatives to be accepted by what are the subordinate classes of the workers and peasants. Therefore, the aspect of nationalisation is not an expression of the continuation of the gains of a proletarian revolution, and instead this aspect has become an instrument of the aims of a dominant class, and these imperatives are imposed onto other subordinate classes within the relations of production. Such a situation can only represent the creation of a new type of rule by a ruling class, and the reluctant acceptance of its aims by the classes that have to accept these exploitative objectives within the relations of production. Instead in a unsatisfactory manner, Trotsky contends that the character of nationalised property somehow represents the continuation of the gains of the proletarian revolution, but the problem with this view is that it glosses over the importance of the actual subordination of the working class to the aims and objectives of a dominant class within the relations of production, or the supreme role of the party elite. The fact that this situation is not an expression of economic efficiency because of the illogical and wasteful aspects of the system of production does not undermine this situation. Trotsky accepts that the bureaucracy is a dominant stratum, but he denies that it has become a new ruling class because in some unexplained sense the nationalised economy is still the continuation of the gains of the proletarian revolution. This standpoint ignores the fact that in a prolonged period the economic influence of the working class within the relations of production has been ended, such as the decline of the role of the factory committees and the demise of the importance of the trade unions, and instead the bureaucracy has established a situation in which a weakened situation of the producers has led to the ability to create the possibility of exploitation in economic activity. But Trotsky seems to deny the importance of this process of the creation of the economic domination of the role of the party as a new ruling class because in some obscure manner it is still argued that the nationalised economy expresses the interests of the working class in terms of the creation of the material basis for socialism. But the same point could be made about capitalism, but this does not undermine the actuality of a situation in which a capitalist class is able to exploit the role of the producers because of relations of domination and subordination within the relations of production. Hence despite these aspects it can only be argued that capitalism has progressive aspects because in some indirect manner it is preparing the basis for socialism. But even this aspect is questionable in relation to Stalinist society because the process of exploitation is based on the generation of inefficient forms of production in which material scarcity is a continual aspect of this type of society. Therefore, the rule of the bureaucracy is regressive and as a result there is nothing progressive about the role of nationalised property. Instead only the actual establishment of an economy based on the supremacy of the producers will express the possibility of social gains. Trotsky seems to reject this type of reasoning because to him the character of the Soviet society is defined by the nationalised economy being the expression of a worker’s state. In this context the bureaucracy defends in its own reactionary manner the role of the workers state, and this means that despite the aspect of the importance of the exploitation of the producers the society is considered to be a progressive advance that is preparing the basis for socialism.

Trotsky defines his standpoint in the following manner: “The Soviet bureaucracy has expropriated the proletariat in order by methods of its own to defend the social conquests. But the very fact of its appropriation of political power in a country where the principal means of production are in the hands of the state, creates a new and hitherto unknown relation between the bureaucracy and the riches of the nation. The means of production belong to the state. But the state, so to speak, “belongs” to the bureaucracy. If these as yet wholly new relations should solidify, become the norm and be legalized, whether with or without resistance of the workers, they would in the long run, lead to a complete liquidation of the social conquests of the proletarian revolution. But to speak of that now is at least premature. The proletariat has not yet said its last word. The bureaucracy has not yet created social supports for its dominion in the form of special types of property. It is compelled to defend state property as the source of its power and its income. In this aspect of its activity it still remains a weapon of proletarian dictatorship.”(p249) But the problem with this view is that it is tenuous to suggest that in some elitist manner the bureaucracy defends the role of nationalised property as an expression of the aim of the proletarian dictatorship and the interests of socialism. Instead this situation is actually because of the interests of the bureaucracy in the utilisation of the nationalised economy in order to intensify the exploitation of the producers and to try and generate a surplus. Hence the relationship of nationalisation to socialism is effectively formal and so is not realised and instead nationalisation is the basis by which the domination of the party elite within the relations of production is upheld. Trotsky accepts that the bureaucracy has complete domination and control of the means of production or the role of nationalised property, and yet denies that this means the generation of a situation in which there is a process of the exploitation of the producers in terms of the narrow interests of the elite. Instead in an ambiguous manner he contends that this situation of the domination of the nationalised economy by the bureaucratic elite is in some sense still an expression of the interests of the workers, and so the role of the bureaucracy has progressive aspects in terms of acting on behalf of the people. But this situation is not elaborated in satisfactory terms, instead it is asserted that a regime that has originated from a proletarian revolution must still have a relationship to the working class despite its effective control of the economy and politics. However, it would be more logical to contend that the domination of the nationalised economy and the political structures by the bureaucracy must mean that the conditions have been created for it to exploit the workers and to attempt to establish a surplus in this reactionary manner. The gains of the working class created by the revolutionary process by the very logic of the development of the economic and political supremacy of the bureaucracy which means that the nationalised economy is actually the form in which the process of the exploitation of the workers occurs. Therefore, nationalised property cannot express the influence of the proletarian revolution within society. Instead only workers management of the economy could create a situation in which nationalisation could become genuinely progressive, and this possibility requires an authentic process of revolutionary change. But Trotsky seems to have an ambiguous perspective because he implies that the nationalised economy is inherently progressive despite the domination of it by the bureaucracy. Therefore, he seems to gloss over the importance of the exploitation of the workers within the relations of production, even though he formally accepts the significance of this aspect within economic activity. His view is that the bureaucracy defends the role of state property and so in this manner upholds the gains of the revolution, but he also accepts that this aspect is motivated by the bureaucracy expressing the aspiration to uphold its source of income, but the point is that this is because of its exploitative domination of the workers within the relations of production or the role of the nationalised economy. Hence it is a travesty to suggest that the bureaucracy is motivated in some degenerated manner to defend the interests of the proletarian revolution. Instead it is concerned with upholding its dominant economic role in order to try and obtain a surplus from the producers. This aspect is admitted by Trotsky, but he defines this development as a parasitic expression of the role of the bureaucracy, which is apparently of secondary importance. But such a view would not explain the motivation of the bureaucracy to dominate the economy. The point is that the role of the bureaucracy is illogical if it is not connected to the aspiration to establish supremacy within the relations of production in order to exploit the working class. Indeed, without this aspect it could not create the possibility to have a privileged relationship to the process of consumption. The nationalised character of the economy does not undermine the dynamics of this development but is instead the structural form by which the bureaucracy establishes its domination of the production process and so is able to extract a surplus from the working class. Obviously, there is a relationship of nationalisation to the character of the proletarian revolution in terms of demise of the role of private ownership of the means of production. But the point is that the purpose of this nationalisation has been transformed. No longer is nationalisation connected to the attempt to create the material basis for socialism, but instead it is an expression of the aims of what has become a ruling class because of its dominating and exploitative role within the relations of production.

Ultimately Trotsky’s argument is not based on the role of the economic, and instead relies on an emphasis on the importance of the political. He comments: “In contrast to this, the property relations which issued from the socialist revolution are indivisibly bound up with the new state as their repository. The predominance of socialist over petty bourgeois tendencies is guaranteed, not by the automatism of the economy – we are still far from that – but by the political measures taken by the dictatorship. The character of the economy as a whole thus depends upon the character of the state power.”(p250) Hence it is being argued that the role of the political defines the economic, and so the state because it is being defined as a distorted expression of the proletarian revolution is therefore still a type of degenerated workers state, and this influences the character of the nationalised economy and its distorted generation of socialist objectives. What this viewpoint seems to ignore is that the character of the state no longer has any similarities with that which originated in the proletarian revolution because it has become the instrument of different objectives that no longer have any relationship with the aim of socialism. Instead the state has become primary defined by the importance of the process of accumulation via the exploitation of the producers. In this sense the ideological emphasis on socialism is in order to uphold this situation and to promote the continuation of a new type of exploitative society. The advent of Stalinism has increasingly meant the demise of a policy that had some connection to the aim of socialism in any meaningful manner. Yet in a surprising manner, Trotsky considers that the bureaucracy defends the aims of socialism in a distorted manner because they continue to promote the role of the nationalised economy. This dogmatic view seems to ignore the important question concerning the aim of the nationalised character of production, and in this context, he seems to gloss over the significance of the motivations of the bureaucracy to exploit the working class within the relations of production. In other words, the character of the political system is defined by the transformation of the economic into becoming an expression of the domination of the producers by a new ruling class. In this context there can be no semblance of the continuation of the role of the dictatorship of the proletariat in a distorted form. Instead the situation is defined by the domination of a new ruling class.

Ultimately, Trotsky justified his standpoint by suggesting that the alternative is the restoration of capitalism, and so in this context the degenerated workers state on the basis of nationalised property should be critically defended: “A collapse of the Soviet regime would lead inevitably to the collapse of the planned economy, and thus to the abolition of state property. The bond of compulsion between the trusts and factories within them would fall away. The more successful enterprises would succeed in coming out on the road of independence. They might convert themselves into stock companies, or they might find some other transitional forms of property….The collective farms would disintegrate at the same time, and far more easily. The fall of the present bureaucratic dictatorship, if it were not replaced by a new socialist power, would thus mean a return to capitalist relations with a catastrophic decline of industry and culture.”(p250-251) Hence the logical result of Trotsky’s position is to argue that the degenerated workers state is historically progressive when compared to the restoration of capitalism because of the importance of the nationalised economy. But what this standpoint ignores is that there is no longer anything progressive abut the nationalised economy because it has become the expression of the role of the exploitation of the producers, and in this context manifests an aspect of the domination of capital over labour. Therefore the logical culmination of this situation would be the restoration of capitalism, which is what occurred in the late 1980’s and 1990’s, in order to realise the maximum potential of the development of the exploitation of the producers. This means the generation of exploitation within the process of production is an indication of the similarity that has developed between Soviet society and capitalism. The actual realisation of capitalism would only be the logical expression of the tendencies of this new type of exploitative society.

Trotsky considers that the character of the proletarian revolution that occurred in 1917 can be undermined and a process of degeneration occurs, but the inherent socialist basis of this regime is not ended except by the method of explicit bourgeois counterrevolution. In other words despite the actuality of the aspects of exploitation within the economic relations of Stalinism, this is considered to be secondary when compared to the aim of the state power of what is still a form of the dictatorship of the proletariat which aspires to create the material conditions for socialism in terms of the development of the productive forces by the role of nationalised property. Thus, the bureaucracy attempts to reconcile the maintenance of its own privileges with the intention to create the economic conditions for socialism, even if this is based on the rejection of the influence of the working class within the relations of production. Thus ‘socialism from above’ is the approach adopted by the bureaucracy, and so in this contradictory manner the party elite attempts to create a form of socialism that is based on the reconciliation of the perpetuation of its privileges with the intention to advance the interests of the working class. This situation is reinforced by the implicit pressure of the working class which acts to ensure that the bureaucracy, even in an elitist manner, acts in terms of a correspondence with the aims of socialism. The bureaucracy would act to introduce capitalism if it was independent of the pressures of the workers, and so is not based on an inherent attachment to the aims of socialism, but it is forced to develop forms of actions that in some indirect and reactionary manner uphold the principles of socialism because of this influence of the role of the progressive forces within society: “Since of all the strata of Soviet society the bureaucracy has best solved its own social problem, and is fully content with the existing situation, it has ceased to offer any subjective guarantee whatever of the socialist direction of its policy. It continues to preserve state property only to the extent that it fears the proletariat. This saving fear is nourished and supported by the illegal party of the Bolshevik-Leninists, which is the most conscious expression of the socialist tendencies opposing that bourgeois reaction with which the Thermidorian bureaucracy is completely saturated. As a conscious political force the bureaucracy has betrayed the revolution. But a victorious revolution is fortunately not only a programme and a banner, not only political institutions, but also a system of social relations. To betray is not enough. You have to overthrow it. The October revolution has been betrayed by the ruling stratum, but not yet overthrown. It has a great power of resistance, coinciding with the established property relations, with the living force of the proletariat, the consciousness of its best elements, the impasse of world capitalism and the inevitability of world revolution.”(p251-252) Thus whilst the bureaucracy would restore capitalism if it could act in an autonomous manner, but the situation is expressed by the continued influence of the working class which creates the necessary pressure in order to ensure that the bureaucracy continues to develop the nationalised economy, which is the objective basis for socialism. The important social role of the workers ensures that the process of reactionary restoration of a form of exploitative relations of production is not completed, and instead in a reluctant and unwilling manner the bureaucracy still has to express in some manner the interests of the workers and the related aim of socialism in terms of the continuation of the role of nationalised property. This conception means that Trotsky cannot envisage the character of the nationalised economy as the actual expression and basis of the exploitation of the workers, instead it has progressive aspects because it is said to represent the interests of the producers, even if this is expressed in an unsatisfactory and reactionary manner. Therefore Trotsky makes a distinction between the political state power of the bureaucracy which is defined as being reactionary from the apparently essentially progressive character of nationalised property, which in some sense advances the aims of socialism. Hence he is reluctant to imply that the state power of the bureaucracy is what enables them to establish the possibility of the exploitation of the producers within the nationalised property relations. Instead he indicates the importance of the role of exploitation within the relations of production in an inconsistent manner, and this observation is not allowed to undermine the view that in some sense the workers are able to impose their socialist objectives onto the purpose of economic activity.

Hence if a process of political revolution occurs it would not be necessary to transform the relations of production that has developed under the bureaucracy, instead the nationalised form of production would continue, but forms of democracy would be introduced in order to make the economy genuinely accountable to the workers. But we would suggest that the economic system does have to be transformed and that its very character would radically change in order that it become based on the interests and actions of the workers. This is because the character of the form of the nationalised economy under the domination of the bureaucracy is based on the imposition of the exploitation of the workers in order to enhance the possibility of the accumulation of profits. Therefore, all aspects of this type of nationalised production has to be ended and instead replaced by completely different principles for economic activity. In this context the role of the bureaucracy would be ended, and instead replaced by a situation in which the role of management was based on a situation of accountability to the organisations of the workers. The factory committees would have the ultimate responsibility for the development of production, and this would occur in a manner that was truly based on the interests of the workers, and of society in general. Hence a reform has not occurred, and instead a social revolution has been realised in order to truly renew the proletarian aims of the October revolution. This development contrasts to the situation in which the Stalinists are able to utilise the role of the workers as instruments of the accumulation of capital. Such a process of transformation is more than the reform being proposed by Trotsky and is instead an expression of what is a new form of social revolution and the related process of the establishment of new relations of production. The point being made is that the subordination of the workers within the relations of production are what characterise a situation of the domination of the producers by a new ruling class, and so the supposed progressive characteristics of the nationalised economy do not in some manner undermine the importance of this development. What is being suggested in opposition to Trotsky is that the nationalised economy can only he genuinely progressive when it is based on the realisation of a situation of economic democracy based on the role of the workers in terms of being able to make effective decisions about how the process of production should be developed. Without this situation the role of nationalisation is in the interests of a new bureaucratic class with distinct tendencies to restore capitalism. Thus, it is an error of Trotsky to consider that nationalisation in the Soviet Union was somehow progressive because of its connection to the role of the October revolution. The problem with this view is that a political revolution has occurred which has led to a similar development in economic terms. The end of all forms of economic democracy within the relations of production means that the bureaucracy has become a ruling class that is able to utilise the role of nationalised production in its own interests.

Trotsky summarises his standpoint in the following terms: “The Soviet Union is a contradictory society halfway between capitalism and socialism in which: (a) the productive forces are still far from adequate to give the state property a socialist character; (b) the tendency toward primate accumulation created by want breaks out through innumerable pores of the planned economy; (c) norms of distribution preserving a bourgeois character lie at the basis of a new differentiation of society; (d) the economic growth, while slowly bettering the situation of the toilers, promotes a swift formation of privileged strata; (e) exploiting the social antagonisms, a bureaucracy has converted itself into a an uncontrolled caste alien to socialism; (f) the social revolution, betrayed by the ruling party, still exists in the in property relations and in the consciousness of the toiling masses; (g) a further development of the accumulating contradictions can as well lead to socialism as back to capitalism; (h) on the road to capitalism the counterrevolution would have to break the resistance of the workers; (i) on the road to socialism the workers would have to overthrow the bureaucracy. In the last analysis, the question would be decided by a struggle of living social forces, both on the national and the world arena.”(p255)

The first point to be made Is that it is not the issue of the level of the development of the productive forces that is the primary basis of the reason why it is not possible to realise socialism. Instead this aspect is connected to the generation of the role of the process of the exploitation of the producers within the relations of production. The importance of scarcity of resources results in the tendency to create a situation in which the possibility of economic democracy within the process of production is undermined because the aim of the state becomes to extract a surplus as efficiently as possible in order to ensure that the necessary industrial goods are created as the basis of the continual renewal of the process of production. What is apparent is that the role of economic democracy within the process of production becomes considered to be an inefficient expression of the intention to create the necessary materials in relation to the needs of society. Instead only the imposition of a hierarchical form of the process of productive activity becomes considered to be an expression of what constitutes an efficient form of production, and this approach begins to be developed under the regime of Lenin. Therefore it could be argued that even under the leadership of Lenin, the character of the social formation is that of a degenerated workers state because the party elite and the managerial strata within the process of production act on behalf of the working class, and so the character of economic activity is never based on the role of genuine economic democracy. This situation is worsened under Stalin because this situation of elitism within the process of productive activity becomes transformed into a situation of the systematic exploitation of the producers in order to generate a process of accumulation that benefits what has become a ruling class. In this context the role of the development of the productive forces is secondary to the aim of ensuring that the workers and peasants are obliged to carry out the priorities of the economic plan in order to generate a necessary level of accumulation in order to consolidate the dominant position of the emerging ruling class. In this manner collectivisation is carried out in order to end the role of the private ownership of the means of production and in this context the importance of the productive forces is entirely secondary. Therefore, the issue of the low level of the productive forces is not what is of primary importance in relation to the emergence of the bureaucracy. Instead the party elite has carried out a consistent policy in order to facilitate its domination of the relations of production, even though this intention has led to a drastic regression in relation to the productive forces, as in relation to the situation in agriculture. In other words the party elite has prioritised the aim of establishing its supremacy over the relations of production as the basis of the process of accumulation of capital, even though this situation has led to problems in relation to the productive forces because of the alienation of the workers and peasants from the aims of realising economic efficiency. The primary aim of the bureaucracy has been to establish and consolidate its domination of the process of productive activity despite the adverse consequences for the development of the productive forces. Hence this aspect of material scarcity has only intensified the consequences of the approach of the party elite, which has been motivated with the intention to establish its ability to dictate the character of the outcome of the role of the relations of production, which have been transformed in order to express the economic priorities of the new ruling class. The fact that this situation has led to the systematic regression in the development of the productive forces is an indication that this aspect is not a primary aspect of the aims of the party elite. Instead only when the relations of production have been consolidated in terms of the generation of the role of what is a bureaucratic form of economic activity will the party elite become concerned to develop the productive forces. Therefore, it is not scarcity that has led to the creation of the role of the bureaucratic elite. Instead their very actions has led to the exacerbation of scarcity and even a material decline in the level of the productive forces, but this situation is considered to be worthwhile in order to generate the domination of the emerging bureaucratic class within the relations of production.

Thus, the actual problem was the reactionary implications of the ideology of substitutionism whereby the party acted on behalf of the working class. The ultimate result of this standpoint was that the party justified the development of a situation in which it promoted the process of the exploitation of the workers and peasants in the process of production. This development was obviously connected to the defeat of the left-wing forces in the party who were I favour of a more progressive development of what would have been a genuine form of socialism. In subjective terms the party elite probably considered that it was facilitating the development of socialism in terms of its policy intentions, but the objective effect of this approach was to create the conditions for the exploitation of the producers. However, it is necessary to suggest that this development was the logical outcome of the viewpoint of the party which considered that economic democracy was an inefficient perspective, and which could not result in the development of the productive forces. Instead the view was that only the leadership of the party, and its relation to the domination of the process of production, could result in the development of the productive forces. The logical outcome of this ideology of substitutionism was the creation of an economy based on the exploitation of the producers. In order to realise this development any accountability of the management of enterprises to the trade unions had to be ended, and instead the economy was based on the imperatives of the central plan, as outlined by the experts of the state planning process. It could have been entirely possible to have developed a different perspective based on the decentralisation of the process of production in terms of the accountability of the management of the enterprises to the workers. This situation could have motivated the workers to be economically efficient and so develop the productive forces. But such a possibility was never even discussed by the party elite because they could only conceive of socialism in terms of the imposition of their dictates via the role of the state planning mechanism. However, the result of this standpoint was to create an exploitative ruling class that attempted to extract a surplus from the workers and peasants in repressive terms. It was this aspect that led to the consolidation of the bureaucracy over society. The problem of the level of the productive forces was an entirely secondary issue in this context.

Therefore, it was not the situation of economic scarcity that primarily led to the generation of primitive accumulation as Trotsky argues, but instead it was essentially the result of the policy of the party because of their elitist conception of socialism. Indeed, it could be argued that accumulation was an inconsistent aspect because of the alienation of the workers and peasants from the economic aims of the state. The workers refused to be efficient in the process of production because it was hard to obtain consumer goods, and the peasants were alienated by the coercive character of collectivisation and the end of private farming, except under the most restricted conditions. But these problems were not considered important by the party elite because their primary aim was to establish domination within the relations of production despite the limitations in the possibility to accumulate capital. Hence accumulation was of a primitive character because of the intense exploitation of the workers and peasants, but the result of this situation was not efficient forms of production which could have resulted in a more dynamic progress of the productive forces. This aspect was considered by the party elite to be a secondary problem, which was to some extent compensated by the fact that the process of industrialisation and collectivisation was generating the domination of the bureaucracy within the relations of production. The apparent success of socialism in these terms was considered by the bureaucracy to be an expression of the success of the system despite the generalised alienation of the workers and peasants. Hence the aims of the economic objectives of the bureaucracy were imposed on the people, but this was ideologically justified as the creation of socialism. Thus it was not want that primarily created the bureaucracy, but instead its elitist conception of socialism which was based on the aim of developing the productive forces in a situation of scarcity in order to generate a process of the accumulation of capital.

Trotsky considers that the major aspect of the development of the bureaucracy was its unequal access to consumer goods. But this possibility was because of its domination of the relations of production which enabled it to have a favourable access to consumer goods, especially luxury items. The point is that the character of distribution is an expression of the nature of the relations of production. In this sense the increasing domination of the process of production by the bureaucracy, in that it was establishing the role of a systematic form of accumulation of capital, enabled it to have the economic power to be able to obtain consumer items in favourable terms. Therefore, the process of distribution is only an expression of what is occurring in the process of production. Furthermore, it was the increasing development of exploitation within the forms of productive activity that established the possibility to create a surplus that was the material basis of the access to consumer goods by the bureaucracy. Trotsky denies this connection between the process of production and distribution because he considers that the character of nationalised property is progressive, and so creating the material basis of socialism, and so he wants to deny the importance of the role of exploitative relations within the production process. But this standpoint is problematical because it effectively denies the connections between the economy and the role of distribution. What he seems to gloss over is the relations between the character of the economy and the unequal character of distribution. If the bureaucracy did not dominate within the relations of production, it could not have unequal and favourable access to the process of distribution.

Indeed Trotsky admits that the process of economic growth benefits the bureaucracy, but he does not explain why. The point is that the reason for this situation is because the party elite has been able to establish relations of production that has led to its domination and as a result of the subordination of the producers it has been able to create a situation of exploitation. This means that any type of economic growth that results in this situation will unequally benefit the bureaucracy in the form of its control of the surplus. But Trotsky seems to imply that economic growth will primarily generate the possibility for socialism. This point may be valid in an indirect manner, but the immediate and most important aspect of economic growth is that the bureaucracy will be able to expropriate the surplus of the producers to its own benefit. In this manner the surplus can only sustain what is an exploitative form of productive activity. However, Trotsky is right to contend that the bureaucracy is opposed to the interests of socialism, but he does not explain why in systematic terms. The crucial point why the bureaucracy is opposed to socialism is because it has an interest in the perpetuation of a system of economic exploitation rather than the promotion of the liberation of society from all forms of economic domination and oppression. This development has meant that the party, which was based on the aim of liberation of the working class, and the establishment of the classless society of communism, has become an elite that is primarily interested in the form of a new type of exploitative society. This situation is justified as an expression of socialism that is being realised under the leadership of the party elite. But without a situation of economic democracy and the right to credible elections, the role of the party can only become the justification of a new class. Instead of this coherent approach, Trotsky considers that the bureaucracy is an anti-socialist elite that presides over a degenerated workers state. But what does this standpoint mean? It would seem that in some sense the bureaucracy is progressive because it ultimately defends the role of the degenerated workers state in terms of an adherence to the role of nationalised property. This view is problematical because the actual character of the nationalised economy is based on the importance of the exploitation of the producers within the relations of production. In this context there is nothing progressive to defend about the present character of the nationalised economy. The role of nationalisation would only become progressive when it is connected to the realisation of the economic democracy of the producers and the end of the domination of the bureaucracy. Hence if the bureaucracy is anti-socialist it must primarily be because it exploits the producers within the economic relations. But such a situation means that a degenerated workers state is not an actuality, and instead this conception is an illusion of Trotsky. Instead the exploitation of the producers is an expression of a new form of exploitative society, and this is the manner in which the anti-socialist character of the bureaucracy is primarily expressed.

Trotsky also argues that the social revolution still exists in the property relations and the consciousness of the masses. This standpoint is generally illusory. The transformation of the property relations by the bureaucracy has meant that nationalisation is no longer a progressive expression of the initial proletarian revolution and is instead the structural basis of the exploitation of the producers. It will be necessary to reject what nationalisation has become under the leadership of the Stalinists if it is to be genuinely transformed by the process of proletarian revolution. Only with a changed character can nationalisation become something that is qualitatively different, and so authentically connected to the objectives of the realisation of socialism. The form of nationalisation under socialism is something that requires the emphatic rejection of the role of the nationalised economy of the Stalinists. However, the issue of the class consciousness of the workers is something more complex. In a certain sense the actions of the Stalinists will have discredited the conception of socialism for the workers and peasants. Illusions will have developed in capitalism as a result, and this situation was expressed by the events of 19189-91. But in the 1930’s the prestige of the Left and Right Opposition was still influential and these forces could have expressed the leadership of a process of mass struggle against Stalinism. The system was unpopular and so the alternative was still defined in terms of the oppositional forms of Bolshevism. In this manner the consciousness of the revolution was still upheld by the views of the workers in general terms. However, the continuation of Stalinism led to the decline of the popularity of the standpoint of the Marxist opposition and so resulted in increasing support for the restoration of capitalism. Only the advance of the world revolution could have led to the revival of the working-class movement in the USSR. But this very possibility was undermined by the actions of the Stalinists who understood that the progress of world revolution would challenge their political supremacy over the workers.

Trotsky contends that the alternative was posed in terms of socialism or capitalism. This proved to be a perceptive prediction, but for reasons that he did not properly recognise. The point is that the bureaucratic social formation was effectively unviable and inefficient in relation to its capacity to extract a surplus from the producers. This meant the system had an inner tendency for either the restoration of capitalism, or the alternative of the establishment of socialism. The repressive character of Stalinism was because of its economic and political limitations. Primarily the people were alienated from a system that proclaimed in an illusory manner that it was creating socialism. This claim was not believed and instead the people become cynical about the boasts of the bureaucracy. But the problem was that the failure of the attempts to realise world proletarian revolution meant that the restoration of capitalism become to be considered to be increasingly credible. This development was made increasingly possible because of the post-war boom of capitalism that seemed to indicate the superiority of that system when compared to the limitations of so-called socialism of the USSR. The very actions of Stalinism in opposing the possibility of genuine world proletarian revolution ultimately undermined the credibility of Stalinism, and in contrast capitalism seemed to be a dynamic system that promised generalised affluence. Thus, the internal contradictions of the USSR combined with the external situation to create the basis for the increasing dynamics of the process of the restoration of capitalism. Stalin had not been interested in this possibility because of connection of his system with the role of a bureaucratic nationalised economy. Thus, Trotsky was wrong to predict that Stalin might restore capitalism. But his prediction became increasingly credible when Gorbachev the reformer became leader of the USSR. In this situation the political conditions for the restoration of capitalism were increasingly favourable, and ultimately realised.

The major point to make is that Trotsky was wrong to suggest that the USSR was a degenerated workers state with an inherent potential for socialism. Instead the type of society that could be created because of the effective bureaucratic counterrevolution was a form of inferior expression of the imperatives of exploitation that could only realise its potential by the restoration of capitalism, or an advance to the establishment of genuine socialism. The rule of the party elite was not as efficient as that of the role of the capitalist class, and so there was a constant expression of the influences of capitalism, and this was most evident in terms of the rejection of the aim of world proletarian revolution. The bureaucracy accepted that the perspective of proletarian revolution could not represent social progress and instead they accepted forms of accommodation with the domination of capital. Indeed, the Soviet bureaucracy often collaborated with the forces of capitalism in order to undermine the possibility of any progress of world revolution. But the isolation of the Soviet regime meant that it was economically and inferior to the dynamism of capital and as a result it often attempted to introduce measures that tried to emulate the policies taken by the bourgeois regimes in order to intensify the exploitation of the working class. In this manner Trotsky was right to imply that the Stalinist regimes had an inherent tendency towards the restoration of capitalism, but the problem was that the atomisation of the working class meant that it lacked the collective power and consciousness to oppose this development, and in actuality the workers increasingly became supportive of the restoration of capitalism. Therefore, Trotsky’s view that the workers would act to uphold the supposedly socialist aspects of the degenerated workers state became falsified over a period of time. The reactionary role of the bureaucracy acted to undermine the popularity of socialism and so the only adherents of the aims of socialism became the small forces of the Left Opposition, which was continually subject to repression and so had increasingly little influence within Russian society. This meant the ideology of socialism became associated with the rule of the bureaucracy, and as a result the workers became adherents to other viewpoints. There was a revival of nationalism and support for the Stalinists increased during world war two. In this context the perspective of political revolution seemed to be abstract and irrelevant. Instead the choice seemed to be between acceptance of the invasion of fascism or the aim of national defence under the leadership of the Communist party. The revolutionary perspective of the Left Opposition seemed to be irrelevant under these circumstances. Furthermore, the Stalinists seemed to be capable of defending the apparent gains of the revolution in these circumstances. Thus, the choice seemed to be between the continuation of the rule of the party elite or the victory of external counterrevolution. In these conditions the tendency for the restoration of capitalism was delayed and instead the Stalinist system seemed to be durable because of its expansion in the second world war. But after the second world war the more dynamic character of world capitalism under the leadership of the USA led to the re-establishment of the pressures for the restoration of the more dominant economic system in the USSR. Stalin tried to reject this possibility in terms of the increased isolation of the Soviet Union. But the inferior manner in which the USSR developed the productive forces meant that the balance of class forces favoured the interests of world capitalism. Only the reform process in the USSR undermined the realisation of this tendency for a limited period of time, but ultimately the bureaucracy was unable to oppose the process of the restoration of capitalism. Trotsky’s prediction ultimately was realised, but this was because there was no aspect of socialism in the USSR. If the nationalised property relations had been genuinely progressive, and a distorted expression of socialism, it may have been possible to regenerate the system and so oppose the tendency for the restoration of capitalism. But it was precisely because the economic system was regressive, and had no progressive socialist aspects, which meant that it was inferior to capitalism and instead based on an inability to systematically develop the productive forces. The bureaucratic economic system was always in decline and regressive and as a result the tendency for the restoration of capitalism was generally a possibility, except in the exceptional circumstances of the second world war and its immediate aftermath. But if the USSR had been a genuine degenerated worker’s state it could possibly have regenerated and become consistently socialist, and so in this manner overcome the problem of the restoration of capitalism. Instead the inferiority of the bureaucratic system meant that the tendency for the realisation of capitalism was a constant problem for the stagnant economic system of the USSR.

Indeed, Trotsky outlines the regressive and exploitative nature of the Stalinist system in the following terms: “The Soviet state in all its relations is far closer to a backward capitalism than to communism. It cannot yet even think of endowing each “according to his needs”. But for this very reason it cannot permit its citizens to work “according to their abilities”. It finds itself obliged to keep in force the system of piecework payment, the principle of which may be expressed thus: “Get out of everybody as much as you can, and give him in exchange as little as possible.”……Wage labour does not cease even under the Soviet regime to wear the humiliating label according to slavery. Payment “according to work” – in reality, payment to the advantage of “intellectual” at the expense of physical, and especially unskilled work – is a source of injustice, oppression and compulsions for the majority, privileges and a “happy life” for the few.”(p259) This comment eloquently describes the actuality of the actuality of the importance of exploitation within the relations of production. But this means that it is being indicated that there is nothing inherently progressive about the role of nationalised property. Instead the economy is based on the importance of the subordination of the producers within the process of production, and this situation is expressed by low wages and the oppressive role of piece-work. But Trotsky does not make the logical conclusion from his own analysis and instead emphasises the importance of the reactionary role of bourgeois norms of distribution. This view is illogical because the possibility for the inequality of the bourgeois norms of distribution is because of the character of the process of production which means that a surplus is extracted from the producers, and so enable inequalities of wealth to occur in Soviet society. In other words, the character of the process of distribution is an expression of the system of economic production, and the related fact that the bureaucracy has many of the attributes of a capitalist class. The only major difference from capitalism is that the system is not based on a genuine form of commodity production and exchange. Indeed, this aspect has been suppressed in the name of socialism, but this does not undermine the role of an inequality in the process of distribution. The profits of the system go towards providing the bureaucracy with access to luxury goods. Trotsky does not seem to make this connection in consistent terms because of his illusion that the role of nationalised property is inherently progressive despite the recognition of the role of exploitative methods of production. Indeed, this ambiguity is not acknowledged, and instead in empirical terms the role of exploitation within the relations of production is accepted whilst the theoretical significance of this in relation to defining the character of the nationalised economy is not explained. The reason for this ambiguity is because of the adherence to the conception of the degenerated workers state which means that the economic limitations of the system have to be glossed over in theoretical terms. Instead only in an empirical sense is it possible to indicate the adverse economic conditions of the Stalinist system.

Trotsky outlines important criticisms of the proposed Soviet Constitution because the promise of political freedoms does not mean that a situation of genuine competition between parties will be created. Instead it is a constitution based on the domination and absolute power of the party elite. But Trotsky whilst calling for the revival of genuine Soviet democracy still considers that the prospect of a revival of the Constituent Assembly, or Parliament, can only represent the tendency towards the restoration of capitalism. Therefore, his alternative to the role of a one-party regime is ambiguous because he does not recognise that it would be progressive to restore the Constituent Assembly and the connected ability of the people to be able to choose the party of government. The point is that the serious degeneration of the system has meant that the issue of socialism requires democratic justification. Instead of making this point, Trotsky is content to criticise the political autocracy of the Stalinists and yet is ambiguous about what constitutes genuine democracy. What he does not seem to recognise is that the aspect of authoritarianism of the Stalinists is connected to the ideology that they are the exclusive and genuine expression of the interests of the working class. The result of this standpoint is the justification of the banning of all other parties. It is this viewpoint that Trotsky is reluctant to repudiate and he is content to imply that if the Bolshevik approach was renewed within Soviet society it would be perfectly acceptable to have a situation of the continued hegemony of the one exclusive revolutionary party. But such a development would still mean that it would not be possible to practice genuine democracy. Instead only the situation of authentic competition between rival parties would express the possibility of the realisation of a principled situation of democracy. Therefore, it is necessary that the issue of which party is hegemonic within society should be decided by the role of genuine elections to a constituent assembly. This development should not undermine the creation of soviets in order to express the standpoint of the working class in consistent terms, but the role of the soviets should not be to justify the domination of the role of the omnipotent revolutionary party. What is also crucial is that the generation of authentic economic democracy should be an integral aspect of the character of what would be a genuine socialist society. Without this aspect it is not possible to create a situation in which the possibility of exploitation within the relations of production is overcome. But the potential for economic democracy is upheld and encouraged by a situation of multi-party democracy and the political aspect of competition between parties. The role of political democracy would encourage the workers to create a situation of economic democracy, but if political democracy is not realised and instead there is only the rule of an omnipotent party in the name of the revolution, the supreme role of the supposed revolutionary party would become the justification to undermine the expression of democracy within the Soviets and the factory committees. Indeed, this is what happened in the period after the October revolution. It is necessary that this development not be repeated. But Trotsky does not seem to have sufficiently learnt this lesson because he does not explicitly reject the dominant role of the single revolutionary party. Instead he seems to suggest that without the bureaucratic expression of Stalinism it might be quite principled for the regeneration of authentic Bolshevism in order to provide what would become principled leadership of the working class. This perspective may have credibility in relation to the character of the revolutionary process, but in terms of the administration of society it is necessary to reject the conception of the hegemonic party within an inevitable dominant role within the post-revolutionary regime. Instead it necessary that the government should be subject to the accountability of the people and this development can only occur in terms of the role of genuine elections involving competing parties. Trotsky outlines many reasons why the present situation of the domination of the omnipotent and bureaucratic party is unsatisfactory, and he indicates the unprincipled and repressive pretensions of the proposed Soviet Constitution of the mid 1930’s. But what is his alternative, apart from a vague commitment to the restoration of the dynamism of Soviet democracy? The answer to this question seems to be unsatisfactory because he is not apparently in favour of the importance of multi-party democracy. He still seems to consider that this aspect would mean the undermining of the socialist possibilities of Soviet society. But the problem with his ambiguity is that the revolutionary party of Bolshevism would only be able to regain credibility in terms of participating in genuine elections. It is necessary to establish the democratic credentials of the revolutionary party if it was to regain the trust of the working class after the experience of Stalinism. The argument against this standpoint is that what is proposed would mean the restoration of capitalism. But the problem with this viewpoint is that the character of the degeneration of Soviet society was that it created a repressive and exploitative type of society that was often inferior to the most progressive forms of capitalism. Furthermore, the working class needed a situation of democracy in order to regain the capacity and ability to act in a militant and collective manner. Therefore, the question of the character of democracy, whether it would occur within capitalism, or in a society that was able to regenerate the possibility of socialism, would depend on the political choices of the workers. The point is that it was the domination of the bureaucracy which had discredited the validity of socialism to the workers. Hence it would not be a regressive situation if capitalism had been restored in terms of the formation of a genuine democratic political process that allowed the workers to organise in favour of the aim of what would be an authentic socialism. What is being suggested is that because the Stalinists had discredited the aim of socialism the result of their overthrow might not be the immediate regeneration of socialism, but what would be possible is a situation in which the role of genuine democracy could be established. Such a situation would not be a regressive process if the workers recognised the credibility of the perspective of genuine socialism, despite the distortion of this aim by the Stalinists. Consequently, the approach of Trotsky of the renewal of Soviet democracy might have been ambitious under the circumstances in which Stalinism had discredited the standpoint of socialism. Hence what would be a progressive development would be the restoration of multi-party democracy in the context of the formation of a capitalist economy, and in this manner, it would be the role of a genuine revolutionary party to make new principled arguments in favour of socialism. However, this possibility should not be the preferred option of a revolutionary party, which would aspire to replace the rule of Stalinism with that of authentic socialism. The point is that what would be possible would depend on the character of the class consciousness of the workers. It may have been feasible to replace Stalinism with authentic socialism. But such a possibility would have depended on the willingness of the workers to uphold this aim in immediate terms. If such a development was not feasible it may have been necessary to aspire to create a capitalist society based on the highest level of the role of democracy.

Trotsky argues in favour of a perspective of political revolution as the basis to oppose and end the domination of the bureaucracy: “The revolution which the bureaucracy is preparing against itself will not be social, like the October revolution of 1917. It is not a question this time of changing the economic foundations of society, of replacing certain forms of property with other forms…….The overthrow of the Bonapartist caste will, of course, have deep social consequences, but in itself it will be confined within the limits of political revolution.”(p288) This perspective is problematical because it can be outlined how the character of the social regime of Stalinism was based on the exploitation of the producers and so in this manner the role of nationalised property was not inherently progressive, or a social gain to be defended, upheld and promoted. Instead the task of the restoration of economic democracy of the producers required the complete transformation of the character of nationalised property so that can become the expression of the aspirations of the producers within the relations of production. Hence the reactionary character of the nationalised economy under Stalinism would become something that was genuinely different or has become the expression of the aspirations and interests of the producers. Such a development would imply that a social revolution has occurred because the regressive relations of production of Stalinism would be replaced by new relations that were based on the realisation of the genuine supremacy of the producers within the production process. All aspects of the bureaucratic economy would be transformed and instead what would be created is a new social formation. In this context the similarity of the bureaucratic economy with capitalism would be overcome by the establishment of a situation of economic democracy. Trotsky’s conception of political revolution implied that there were progressive aspects of Stalinist society that had to be consolidated and regenerated by the process of change to a genuinely socialist system.

Indeed, this conclusion is actually the logic of the perspective of Trotsky when he contends that: “It is not a question of substituting one ruling clique for another, but of changing the very methods of administering the economy and guiding the culture of the country. Bureaucratic autocracy must give place to Soviet democracy. A restoration of the right of criticism, and a genuine freedom of elections, are necessary conditions for the further development of the country. This assumes a revival of freedom for Soviet parties, beginning with the party of the Bolsheviks, and a resurrection of the trade unions. The bringing of democracy into industry means a radical revision of plans in the interests of the toilers. Free discussion of economic problems will decrease the overhead expense of bureaucratic mistakes and zig-zags.”(p289) This comment implies that the character of the economy will be totally transformed by the success of a process of revolutionary change because the Stalinist domination of the nationalised property relations will be ended and instead a situation of the economic democracy of the producers will be established. This suggests that a new form of nationalisation will be established that has different objectives based on the interests of involvement of the producers in the development of the aim of economy. This situation will go alongside the importance of Soviet democracy, but the problems of the Soviets as organs of effective forms of multi-party democracy is not discussed. This problem implies that there is a problem in the conception of the political character of the genuine socialist society. But despite the limitations of his standpoint, Trotsky has outlined important reasons why the nationalised economy of the Stalinists does not have any socialist aspects because of the lack of the participation of the producers in the organisation and administration of the development of the productive forces. Instead nationalised production of a Stalinist type means that the producers are subordinated to the aims and imperatives of the bureaucracy to sustain a process of accumulation in the context of a situation of exploitation. This is the implicit view of Trotsky and it is sustained by all the descriptions of the aspects of the oppressive and exploitative character of Soviet society. But in formal theoretical terms he cannot uphold the significance of the empirical observations he has made about the character of the USSR. Instead he has to uphold in a dogmatic manner the conception of the USSR as a degenerated workers state. Such an approach seems to be unconvincing and opposed to all the aspects of his understanding of the USSR which seem to imply that the bureaucracy has become a new ruing class. He is right to imply that this society could not be capitalist, but neither is it a form of workers state. Instead the bureaucracy has carried out a process of counterrevolution that has ended all of the gains of the proletarian revolution. The period in which the USSR was a degenerated workers state was between 1918-28, but this transitional era was ended by the Stalinist process of forced collectivisation and industrialisation which established the domination of the bureaucracy as a new ruling class. What is crucial to understand is that if there is no aspect of economic democracy then the result is the promotion of the role of a new exploitative class that is upheld by its systematic subordination of the workers within the relations of production. This situation cannot express any aspect of socialism, and so the role of the nationalised economy has been completely transformed in a reactionary manner. Trotsky was reluctant to admit to these developments because he still wanted to contend that some of the gains of the October revolution had not been completely overcome. This viewpoint was an illusion and instead the economic and political domination of the Stalinists did express the situation of the formation of a new repressive social system. Indeed, it was problematical to imply as Trotsky did that it was possible to have a degenerated workers state in which extreme levels of repression and exploitation were an expression of the empirical situation. Instead these aspects could only be based on the fact that the bureaucracy had become a ruling class that was able to maintain a situation in which its privileges had become the result of the creation of its ability to systematically exploit the working class. Trotsky was aware of this situation, but he seemed reluctant to make the appropriate conclusions and instead he outlined in what seem to be unconvincing terms that the USSR was a degenerated workers state. Such a standpoint implied that the USSR was both progressive and reactionary, but there was nothing progressive about the social formation. Instead what had occurred was a counterrevolution that resulted in the demise of the gains of the October revolution.

How does the analysis of Trotsky compare to the perspectives of other Marxists? One analysis carried out by Sean Matgamna is in the introduction to: ‘The Fate of the Russian Revolution, volume 1, Phoenix Press, London 1998. He outlines the original character of the revolution was genuinely of a proletarian nature but that because of the upheaval of the civil war a situation developed in which the regime became based on the domination of a party elite. This represented the formation of a degeneration workers state in which the party elite acted on behalf of the working class: “Thus in the process of fighting to survive an prevail, the workers state had ceased to be what it was in 1917. It was now a worker’s state because it was ruled by a workers party acting as a stand-in, watchman, gatekeeper, or “locum” for the proletariat. The locum party ruled in the interests and in the name of the working class – in a backward country where the working class was a small minority. Judged by the Bolshevik programme, the civil war regime was already a degenerated workers state.” (p21) But the problem was that the Bolsheviks did not truly recognise this situation because they considered that the possible success of the international revolution would resolve these issues. Hence it seemed to be perfectly feasible for the party to rule on behalf of a small working class until the process of international revolution would generate the material conditions for the promotion of socialism in Russia. Matgamna considers that the period of the New Economic Policy consolidated the process of the transformation of the party elite into a stratum that was able to act independently of the working class, but this was not the major problem. Matgamna considers that the New Economic Policy consolidated the strength of the forces of capitalism within the Soviet society, but this ignores the fact that there was no alternative than to try and develop the support of the peasantry for the aims of the promotion of the role of industry. This is why Trotsky still supported the importance of the NEP. The major problem was that Stalin reacted to the tensions produced by the NEP by embarking on a policy of forced collectivisation and rapid industrialisation. Matgamna is right to suggest that the Left Opposition made a major mistake in not decisively opposing this adventurist approach of Stalin. This development is correctly characterised by Matgamna as resulting in the realisation of the ability to establish the control of the surplus product by the bureaucratic elite. The result was the formation of a new regressive type of society in which the ideology of socialism was totally caricatured in order to justify the rule of what had become a new type of ruling class. Matgamna rightly suggests that this is Trotsky’s conclusion but that in an inconsistent manner he refuses to make this conclusion because of his rigid adherence to the conception of the degenerated workers state. But he does not identify the reason for Trotsky’s limitations which is based on his refusal to recognise the importance of the generation of the process of the systematic exploitation of the producers which must mean that the society is an expression of the relation between a dominant economic class and the subordinated role of the producers. In empirical terms, Matgamna has an implicit recognition of this aspect and implies that Trotsky underestimated the importance of his own observations about the exploited situation of the workers, but this understanding is not connected to a cohesive conception of the character of the bureaucratic regime. The problem is that Matgamna is more concerned with outlining the inconsistencies of the approach of Trotsky rather than outlining what should be the explanatory alternative for understanding the character of Soviet society. He indicates that to Trotsky the conception of the degenerated workers state implies that the working class in some sense has a form of continued class rule, and this conception is recognised by Matgamna as being untenable in relation to the totalitarian and authoritarian character of the Stalinist social formation. There is a tension between Trotsky’s outlines of the empirical aspects of the exploitative character of nationalisation and the formal adherence to the view that the nationalised economy is the continued expression of socialism despite Stalinism. But Matgamna contends that the ultimate expression of Trotsky’s limitations is expressed by his effective critical support for the Soviet invasion of eastern Poland. But this standpoint is because of his flaws concerning the character of the USSR, as we will try to outline.

The approach of Trotsky is developed in his work: ‘In Defence of Marxism’(Pathfinder Press, New York 1973) He considers that the standpoint of bureaucratic collectivism concerning the class character of the USSR would represent the rejection of a perspective of proletarian revolution and the role of the class struggle because it would seem that the result of the successful realisation of the overthrow of capitalism could be the creation of a new type of exploitative society. But such a conclusion is not necessarily connected to the understanding that the USSR has become an expression of the development of the subordination of the workers to the bureaucracy. Instead this outcome is because of the pressures of the isolation of the USSR and as a result of the transformation of the Bolsheviks into a party elite who are motivated by the aim of exploiting the workers within the relations of production. Indeed, it could be suggested that the standpoint of Trotsky has many aspects of the suggestion that the bureaucracy is a new exploitative ruling class. Only the role of the apparently progressive character of the nationalised property relations would suggest that this development has not been totally realised. But Trotsky is right to contend that the Nazi-Soviet pact of 1939 does not alter the character of the USSR. Instead this is an expression of the continued rejection of the principles of the aims of world proletarian revolution which has been a consistent aspect of the role of the Soviet bureaucracy since the mid 1920’s. This treaty is a manifestation of the logic of the reactionary theory of socialism in one country which results in the accommodation of the forces of Stalinism to those of imperialism. In the mid 1930’s this had the form of acceptance of the interests of the democratic imperialist powers, but the Nazi-Soviet pact indicates that the bureaucracy has agreed to this treaty because of its interests in trying to prevent the Fascist invasion of the USSR. Trotsky contends that this development is an expression of the role of a bureaucracy that is a parasitic growth on the nationalised property relations of a degenerated workers state. In this context it is possible that it can make all sorts of opportunist agreements with the reactionary forces of imperialism. But if could also be suggested that the pact with the German fascists is in order to uphold the continuation of what has become the exploitative character of the USSR. This development is the economic basis for the bureaucracy to be prepared to reject any sense of maintaining the principles of proletarian internationalism. Instead in order to defend the generation of the exploitative character of the USSR the bureaucracy is prepared to accept the most servile relations with the forces of imperialism, and even to cooperate in the invasion of Poland. Thus, the foreign policy actions of the party elite do seem to correspond to a situation in which the bureaucracy has established an exploitative social formation. In contrast it could be suggested that if the USSR was a degenerated worker’s state it would in some sense still uphold the interests of the workers and in this context would refuse to sign a treaty that would result in the acceptance of the interests of the most reactionary forms of an imperialist power. In this context the degenerated workers state would still have some relationship to the interests of the international working class. Instead the bureaucracy is prepared to accommodate the interests of the fascist powers because this is quite compatible with the continuation of the exploitative system in the USSR. Indeed, the tendency for imperialism expressed in this situation is because the USSR has economic and political interests in expanding into a part of Poland. In contrast it is unlikely that a degenerated workers state would act in a similar manner. This point can be related to the fact that we have already recognised the ruthless ability of the Stalinists to undermine the interests of the struggle against fascism in Spain because of an opposition to any possibility of the development of proletarian revolution. In this context the reactionary foreign policy measures expressed by the Nazi-Soviet treaty represent the continuation of this opportunist approach and the consistent rejection of the interests of world proletarian revolution. Such a situation could only be consistently related to the fact that the USSR has become a form of exploitative society that has no interests in the promotion of international proletarian revolution, but instead can extend its economic power and prestige by a process of imperialist expansion and the annexation of a part of Poland because of agreement with German fascism.

Trotsky contends that the bureaucracy is not a ruling class because it does not express the interests of the development of the productive forces and is instead a parasitic growth on the potential dynamism of the economy. The basis of economic progress has been because of the role of the nationalised economy: “The historical justification for every ruling class consisted in this – that the system of exploitation it headed raised the development of the productive forces to a new level. Beyond the shadow of a doubt, the Soviet regime gave a mighty impulse to economy. But the source of this impulse was the nationalization of the means of production and planned beginnings, and by no means the fact that the bureaucracy usurped command over the economy. On the contrary, bureaucratism, as a system became the worse brake on the technical and cultural development of the country…….But the higher the economy rose, the more complex its requirements became, all the more unbearable became the obstacle of the bureaucratic regime…..Thus, before the bureaucracy could succeed in exuding from itself a “ruling class”, it came into irreconcilable contradiction with the demands of development. The explanation for this is to be found precisely in the fact that the bureaucracy is not the bearer of a new system of economy peculiar to itself, and impossible without itself, but as a parasitic growth on a workers state.”(p6-7) But there is no rigid historical law that suggests that all forms of society have to be based on an inherent connection between the role of the ruling class and the development of the productive forces. Instead what is vital is that a specific dominant economic class is able to establish forms of domination within the relations of production and in this manner generate a situation of the exploitation of the producers. This is what happened within the USSR, even if there was only an erratic development of the productive forces, and often the consumer goods created were of an inferior quality. What was essential in this situation was that a nationalised economy was created in which the imperatives of the bureaucracy were effectively imposed on the producers, despite the often expression of social discontent. It is this aspect that Trotsky seems to ignore and instead emphasises the importance of the process of distribution for the creation of a situation of inequality. But the point is that this development was because of the logic of the system of a new form of exploitative relations of production. Therefore, it is not credible to suggest that in some distinct and particular the process of the transition from capitalism to socialism is occurring. Instead there are no aspects of socialism within this society, except for the creativity of the exploited workers and peasants. But this very point could be made about capitalism.

However, Trotsky considers that this situation of the degenerated workers state is only temporary because the imminent world war will create the conditions for world proletarian revolution and the related demise of the Stalinist regime. But he also outlines the alternative to this situation: “If, however, it is conceded that the present war will provoke not revolution but a decline of the proletariat, then there remains another alternative: the further decay of monopoly capitalism, its further fusion with the state and the replacement of democracy where-ever it still remained by a totalitarian regime. The inability of the proletariat to take into its hands the leadership of society could actually lead under these conditions to the growth of a new exploiting class from the Bonapartist fascist bureaucracy. This would be, according to all indications, a regime of decline, signalizing the eclipse of civilisation.”(p9) And: “An analogous result might occur in the event that the proletariat of advanced capitalist countries, having conquered power, should prove incapable of holding it, and surrender it, as in the USSR, to a privileged bureaucracy. Then we would be compelled to acknowledge that the reason for the bureaucratic regime is rooted not in the backwardness of the country and not in the imperialist environment but in the congenital incapacity of the proletariat to become a ruling class. Then it would be necessary in retrospect to establish that in its fundamental traits the present USSR was the precursor of a new exploiting regime on an international scale.”(p9)

This comment has become true in the sense that the ability of the bureaucratic regime of the USSR to overcome the problem of the fascist invasion of the USSR and to expand its social power would seem to prove that it represented a new form of exploitative society. However, the apparent failure of the possibility of world revolution did not mean that the working class could be conclusively shown to be a class that was unable to realise its revolutionary possibilities. Instead it remained strong and able to continually challenge the aims and imperatives of the capitalist system because of an ability to organise and to act to defend its interests. In various countries in the immediate post-war period there were genuine possibilities for proletarian revolution, but these were undermined by the opportunist role of Social Democracy and Stalinism. Also, the boom of world capitalism acted to temporarily resolve the issues of the workers. But the working class remained a strong collective social force, and they had not become slaves within a totalitarian system. Furthermore, capitalism had not been replaced by bureaucratic regimes of totalitarian domination, and instead bourgeois democracy flourished in the post-war period on the basis of the material advanced represented by the post-war boom. Hence, Trotsky’s prediction that if world proletarian revolution did not occur it would be necessary to uphold a minimum programme to defend the interests of the slaves of totalitarian societies was not realised. Instead the situation was more complex, and it was ultimately the boom of capitalism that undermined the possibility for the advance of world revolution. However, the working class remained strong and this was indicated by the unrest of the East German workers in 1953 and the workers in Poland and Hungary in 1956. Ultimately there was also to be a period of discontent that led to the possibility of social transformation in Western Europe between 1968-74. Only the imposition of austerity since the 1980’s has led to serious questions about the capacity of the workers to realise the possibility of social change. But even this issue cannot be explained by the dogmatic perspectives of Trotsky in 1939.

Trotsky considers that the social system in the USSR cannot be a form of bureaucratic collectivism, or the rule of a new ruling class because the character of nationalised property is an expression of role of the working class in the development of this social form. But the point is that this influence has been systematically ended and replaced with the ability of the bureaucratic elite to exploit the workers within the new relations of production. Trotsky considers that the political instability of the USSR is an expression of the inability of the bureaucracy to establish itself as a new ruling class, but in fact the purges are an expression of the consolidation of the domination of the bureaucracy. What has occurred is the end of the immediate possibility of the emergence within the party of any opposition to the rule of Stalin and the related creation of an ideologically monolithic party. Therefore, what has actually occurred is the process of the consolidation of the ruling elite in the USSR by means of the expression of the systematic repression of the state. The creation of a monolithic political system is connected to the attempt to ensure that the new economic system of exploitation will not be opposed by dissenters within the party.

In relation to the issue of the expansion of the USSR, Trotsky is against the military expansion of the Soviet bureaucracy and its invasion of new territories, but he still supports the apparent bureaucratic-military expropriation of the capitalists as being of a progressive character. This is a confusing standpoint because there is nothing progressive about this process, which is primarily in order to consolidate the power and privileges of the bureaucracy. But Trotsky is right to call for the defence of the USSR against the possibility of invasion by the fascist armies of Hitler. The only progressive overthrow of the Stalinist regime can be as an expression of the process of the development of the class struggle, and so in this context the success of the forces of Hitler can only bring about the enslavement of the Soviet people. Therefore, in order to oppose the progress of counterrevolution and to uphold the aims of the world revolution, it is necessary to promote the aim of defence of the USSR. In a sense Trotsky is suggesting that even if the USSR was a form of bureaucratic collectivism it would still be necessary to defend the USSR against the military aggression of reactionary German imperialism. There is the issue of the principle of defence of a country against the possibility of its invasion and enslavement by an aggressive imperialist power. What is at stake is the question of the principle of national self-determination as well as the importance of the defence of the degenerated workers state as part of the issue of the possibility to develop world proletarian revolution. Trotsky does emphasise the importance of the defence of the degenerated workers state against the threat of aggressive imperialism, but the point is that his standpoint is not dependent on this type of perspective. Instead what is important is the question of the necessity of opposing a fascist type of imperialism, and in this context the defence of the Stalinist regime becomes a progressive task. But Trotsky makes the point that the issue of the defence of the USSR is always secondary to the aim of the advance of the world revolution. However, this does not mean that defence of the USSR should be rejected in the situation of an aggressive invasion of a reactionary imperialist power, because the victory of the USSR, even under Stalinist leadership would be progressive in terms of the possibility to generate the development of world proletarian revolution. In contrast, Shachtman is rejecting the defence of the USSR because it has become an imperialist power. This point is not necessarily disputed by Trotsky who admits that the USSR under Stalin’s leadership could act in an imperialist manner in terms of an impetus for expansion and invasion of other countries. However, the issue is that if the USSR is invaded by a reactionary imperialist power then it could become dominated in an even more intensified form of exploitation and oppression. In this context the forces of the Red army would be justified in defending the USSR against the possibility of the restoration of the most intense form of capitalist exploitation. But this situation would not mean capitulation to the role of Stalinism because instead such a defence of the USSR would be in order to uphold the ultimate aim of the overthrow of the Stalinist elite and to advance the progress of the world revolution. Therefore, there is no contradiction between the defence of the USSR and the interests of the class struggle, both in the USSR and internationally. But if the bureaucratic elite in the USSR is overthrow in a reactionary manner the only force that would benefit would be reactionary imperialism. But this approach does not mean that Trotsky was right to support the Soviet bureaucracy in relation to the war with Finland because of his illusory view that the capitalists were being expropriated in a bureaucratic manner. Instead such a war had an adventurist aspect that was about expanding the territory of the USSR, and so had no progressive content. This view indicated that the standpoint of the conception of the USSR as a degenerated workers state did result in some unfortunate formulations and led to the justification of what were opportunist positions. Instead it would be more principled to call for the right of the people of Eastern Poland and Finland to self-determination in a consistent manner. However, this standpoint should not in any sense undermine adherence to the aim of the defence of the USSR in relation to any conflict with the forces of German fascism. The point is that the situation in Eastern Poland and Finland was different to the implications of an invasion of the USSR by the forces of reactionary imperialism. In the latter situation is the issue of defence of the USSR would become appropriate, but it was not an important issue in relation to the invasion of Finland and Eastern Poland, which led to the justification of repression. But despite these limitations the position of Trotsky was still superior to that of the opposition within the USA SWP.

The problems with the approach of Trotsky are summed up in the following comment: “The expropriation of the property owners in Poland and Finland is a progressive factor in and of itself. The bureaucratic methods of the Kremlin occupy the very same place in this process as did the dynastic methods of the Hohenzollern – in the unification of Germany. Whenever we are confronted with the necessity of choosing between the defence of reactionary property forms through reactionary measures and the introduction of progressive property forms through bureaucratic measures, we do not at all place both sides on the same plane, but choose the lesser evil. In this there is no more capitulation to Stalinism there was capitulation to the Hohenzollern in the policy of Marx and Engels.”(p125) But the point is that the actions of the Stalinist bureaucracy in Eastern Poland and Finland were concerned with the aim of military occupation, and the issue of the type of social transformation that was being promoted was entirely secondary and were not connected to the intention to create a degenerated workers state. Instead what was important was to establish the domination of the Soviet bureaucracy in terms of the role of a repressive occupation. In this context the only principled demand was for the withdrawal of the Soviet troops and the realisation of the effective self-determination of Eastern Poland and Finland. In terms of the situation in Finland it would be principled to support the struggle of Finnish army against the troops of the Red army in order to establish the military and political basis for the self-determination of Finland. This is because the character of the actions of the Red army represent the role of an imperialist armed force, and so the issue that is of primary importance is that of the self-determination of Finland. In this context it is not possible for Finland to pose a military threat to the security of the Soviet Union and instead the military action is an expression of aggressive expansionism. But it is not an expression of support for the forces of German imperialism to oppose the role of the Soviet Union in Finland despite the relationship of Germany and Finland because this aspect is not of direct importance in this situation. Instead the only relevant question is the fact of the aggressive action of the Soviet Union against Finland, and this point is indicated by the fact that the war of the Finnish army is completely popular with its people. Indeed, Trotsky ultimately admitted that his prognosis was conditional and that changing circumstances meant that the transformation of Finland into a degenerated workers state did not occur because of the opposition of the allied imperialist countries. But the actual reason for this development was that it was never the intention of Stalin who instead wanted to ensure that Finland became subservient to the diplomatic aims of the USSR. Indeed ultimately Trotsky outlines his position in the following terms: “Stalin’s assault upon Finland was not of course solely an act in defence of the USSR. The politics of the Soviet Union is guided by the Bonapartist bureaucracy. This bureaucracy is first and foremost concerned with its power, prestige, its revenues. It defends itself at the expense of the USSR and at the expense of the world proletariat. This was revealed only too clearly throughout the entire development of the Soviet-Finnish conflict. We cannot therefore either directly take upon ourselves even a shadow of responsibility for the invasion of Finland which represents only a single link in the chain of the politics of the Bonapartist bureaucracy.”(p176) in these emphatic terms, Trotsky rejects any suggestion that the Stalinist invasion of Finland should be supported, even in critical terms.

In relation to Poland Trotsky has the illusion that the actions of the bureaucracy have had the effect of encouraging the development of the overthrow of capitalism by the people. This is an illusion because the primary role of the Red army is to ensure the military domination of Eastern Poland. But the extension of his approach in relation to Finland should also indicate that the actions of the Stalinist military should also be criticised in similar emphatic terms. But unfortunately Poland was under the illusion that a process of the expropriation of capitalism was occurring in Poland and so should be critically supported. This view was false because the aims of the Red army was defined by its willingness to establish a situation of the imperialist occupation of Eastern Poland. But he was right to contend that the principle of the defence of the USSR should be upheld because of the threat of the invasion by the German fascist armies. In this sense the supporters of the opposition in the SWP were wrong to reject the defence of the Soviet Union because of its tendencies to participate in imperialist types of actions. The forces of the Workers Party seemed to be indifferent to the important and immediate issue of the defence of the USSR which was caused by the fact of the success of the German imperialist expansion into Western Europe. Indeed, they were to maintain this stance even after the fascist invasion of the USSR. The result seemed to be the discrediting of the view that the USSR was a form of society based on the domination of a bureaucratic class. However, it was quite possible to maintain both the defence of the USSR and to also contend that it was a new type of bureaucratic society. What is being suggested is that the defeat of the forces of the fascist invasion of the USSR could only contribute to the possibility of the development of the ability of the working class of the Soviet Union to be able to create the prospect to be able to develop the strength and opportunity to be facilitate the creation of the conditions to generate the basis for the overthrow of the Stalinist regime. But the victory of the fascist forces would only create a regime that would develop a type of society based on the exploitation of the Soviet people as slaves. The ultimate problem with the view of the Workers Party is that they did not discuss the internal character of Soviet society in any satisfactory detail. The result was that could only consider it a reactionary regime that they could not support in the situation of war. It was necessary to develop a more elaborated analysis that could produce a more principled conception of the role of the Soviet Union in the process of war. But this approach would not suggest justifying the legitimacy of the regime, and instead would outline its historically regressive nature.

This development was made by Bruno Rizzi in his article: “The Bureaucratisation of the World”. (1939 – Marxist Internet Archive) He argued that the world situation was characterised by the formation of bureaucratic regimes that were replacing capitalism as the basis of the exploitation of the workers. One of these regimes was the Soviet Union. He considers that the second world war represented a situation of antagonism involving the forces of the bourgeoisie, the bureaucracy and the working class. The task of the working class was to develop a perspective that would enable it to obtain victory and to defeat the reactionary aims of the other social forces. In this context the primary aspect of this perspective meant the role of the struggle of the workers against the aims of capitalism and fascism. The logic of this standpoint implied that it might be necessary to defend the USSR if the alternative was the victory of the aims of the fascist bureaucracy to create a situation in which the people of the Soviet Union became dominated by a regime that was even more reactionary than that of Stalinism. But in this context the necessity of the defence of the USSR did not mean that it expressed a progressive form of society, but rather that the success of this aim meant the creation of the ability to undermine the strength of the bureaucratic regime of the Soviet Union in terms of the advance of the interests of the working class. But this perspective was to some extent undermined by the understanding that the strength of the various bureaucratic regimes implied that the condition of the international working class was being reduced to a situation of slavery. This pessimistic aspect of the approach of Rizzi undermined the coherence of the principled aspects of his perspective. Primarily he underestimated the ability of the bourgeois democratic regimes to develop an effective opposition to fascism, and he also failed to recognise that the character of the fascist societies was still based on the importance of their relation to capitalism. In this context the ascendency of the bureaucratic class in the USSR was an exceptional situation and the result of the defeat of the process of proletarian revolution. Hence what was occurring did not mean the demise of capitalism and its replacement by a situation of the ascendency of the role of a new bureaucratic class. Instead the situation was characterised by the role of an inter-imperialist conflict in world war two that was based on the antagonism of rival capitalist regimes. But the ultimate logic of the standpoint of Rizzi was to adopt a position of adaptation to the role of bureaucracy because he could only envisage its increasing ascendency. However, despite these limitations in relation to understanding the class character of the USSR, his approach had merits that should be understood in terms of the development of a new class theory of the character of the Soviet Union.

The initial basis of the analysis of Rizzi is based on the success of what he considers to be the victory of a genuine process of proletarian revolution in which the working class was led to the overthrow of the bourgeois regime by a revolutionary party that was based on its interests. But the isolation of the regime and the failure of the possibility of European revolution meant that the principles of the aims of the relation of the party and the working class would become distorted. The result of this situation is that there is no expression of genuine democracy because the character of the social formation is no longer accountable to the people. Instead what has occurred is that the economy is based on the domination of a bureaucratic class that is able to assert its supremacy because of the inability of the workers and peasants to be able to establish authentic control in this situation. There is a situation of the development of a nationalised economy which has led Trotsky to define the character of society as a type of degenerated workers state. But this understanding is unsatisfactory because there is the obvious expression of the exploitation of the producers in the economy and this situation was the ultimate result of the failure of the European revolution which could have resulted in the consolidation of what had been an authentic revolutionary regime. Instead what occurred was the political degeneration of the Bolshevik organisation because of the pressures of this situation and this led to the development of a policy that was based on adaptation to the national isolation of the Soviet regime. But the logic of this change of standpoint meant the adoption of an approach that was based on the necessity of the imposition of a policy that was based on the consolidation of economic development in a manner that systematically undermined the principles of any aspect of genuine participation of the role of the workers in the process of the organisation of economic development. To some extent that situation was the logical result of the fact that the party always substituted itself for the role of the working class in the organisation of society. But such a situation was initially progressive because the party aspired to relate its policies to the interests of the workers. The imposition of the Stalin regime meant the development of the increasing independence of the role of policy from any connection to the aspirations of the workers. Hence the imposition of a personal dictatorship could not correspond with the interests of the workers and peasants: “A political party with a far reaching social programme which calls for participation and control by the workers should not aim to set itself up as a dictator. The only guarantee is the proletarian class with all power to the soviets…..The officials of the state and Bolshevik party, in socialising the land and in industrialising the country, more an more undermined the power of the workers and ended up having a monopoly of the state. To do this they had to all themselves with the technical specialists who were indispensable to them; thus occurred the first great welding in the process of the formation of a new ruling class in Russia.”(chapter one, p7)

In this analysis, Rizzi has articulated quite powerfully that the possibility of the generation of the principles of socialism depends subjectively in terms of the consistent connection of the relations of party to the working class. The actions of the party are in some sense accountable to the aspirations of the workers. Hence the end of this situation means that a serious regression will occur, and that the possibility for the repressive domination of the party as a privileged elite over society is being generated. In objective terms the successful and authentic construction of socialism depends on the success of the world socialist revolution, but such a possibility was undermined by the serious defeat of the attempt at proletarian revolution in Germany. Therefore, in the unfavourable conditions of the isolated and backward economy of Russia the actions of the party on behalf of the working class begin to assume a reactionary character because the party increasing adopts its own reactionary and elitist objectives. The result of this situation is that the party creates the economic conditions to dominate the workers and peasants within the process of production. This means that what occurs is the formation of the rule of a new class because the only possible alternative to this situation is the continued ability of the workers to be able to create the economic and political conditions for socialism via their influence on the role of the party. The demise of this accountability of the party to the class means that it can assume an increasing sense of independence that enables the party to develop a situation of a dominating role within the economic and political structures. Only a regime of economic and political democracy based on the continued hegemonic influence of the workers would be able to provide an alternative to this regressive development. In other words, the onset of the Stalin regime expressed the development of a situation in which the party no longer considered that it should be accountable to the workers in a principled manner. This meant the character of the objectives of the party were no longer based on the aims of socialism, which could only be advanced in terms of the principled involvement of the workers in the construction of this type of society. Therefore, the unaccountable domination of the economy by the party meant that it would be adopting its own objectives in an elitist manner and so as a result be opposing the interests of the workers. Such a situation could only mean that the party was exploiting the workers in terms of its own distinct and antagonistic interests. This meant that what had occurred was the creation of a new type of exploitative society based on the domination of the party bureaucracy. The result of this situation is that the party determines the level of wages and prices, and all other aspects of economic activity, in terms of its own distinctive and reactionary interests. This supreme role within what has become bureaucratic relations of production means that the bureaucracy must be a class, and as a result it is able to extract a surplus from the working class.

It has been argued by some commentators that the bureaucracy is not a class because it is not able to extract a surplus from the workers in an efficient manner. Instead the workers have been able to establish some form of control over the process of production, and so as a result establish an important influence over the manner in which the surplus is being created. This point has validity because the economic system of Stalinism lacks the aspect which makes capitalism efficient which is the role of competition. The capitalist has the incentive to ensure that the character of production is of the highest level of quality in order to ensure that the goods are sold as opposed to those of a competitor. This dynamic is not present within the Stalinist economy in which all goods are produced under the auspices of the domination of the state, and so the issue of quality is not an aspect of the ability to create a surplus. The result of this situation is the tendency to create goods that are of an inferior quality and there is a general indifference to the issue of the efficiency of the role of production as long as the possibility of a surplus is being created. But these limitations do not mean that the bureaucracy is not an exploitative ruling class that creates a situation of the subordination of the producers within the relations of production. What is being suggested is that there is a condition of exploitation within the relations of production, even if this is not of a systematic and efficient form. The inability of the worker to be able to define the conditions of their economic activity in terms of their own interests means that the resulting situation of subordination to the imperatives of the managers of the enterprise and the objective of the plan means that there is exploitation within the relations of production. This situation indicates the generation of a new bureaucratic mode of production, even if it is inefficient in developing the productive forces. In this context for Trotsky to suggest the nationalised economy is an expression of the interests of the working class in an ultimate manner ignores the fact that this type of economy is dominated by a new class with its own objectives that are antagonistic to those of the workers. Or as Rizzi contends: “The proletarian class is exploited *en bloc* in accord with the transformation of property. The bureaucratic class exploit’s the proletariat and, through fixing wages and the selling prices of commodities in the state shops, determines the standards at which this class shall live. The dominant class has brought the proletariat *en bloc*. The workers no longer even have the freedom to offer their labour power to different enterprises: it is the monopolising bureaucracy which has perfected this system of exploitation.”(chapter 1, page 10) Rizzi is making the important point. It is the supremacy of the bureaucracy within the process of production, and its ability to be able to dictate to the workers the aims of their economic activity in a manner which results in the creation of a surplus that the workers are not able to control and utilise, means that the economic relations are those of a bureaucratic ruling class that is able to impose its objectives on the workers in terms of the generation of a situation of exploitation. This means that the result is the creation of the rule of the bureaucracy as a ruling class over the workers. The lack of control of the workers over the process of production means that the aims and imperatives of economic activity are established by a new bureaucratic class that acts to ensure the workers produce according to the objectives being established by the effective process of the exploitation of the producers.

However, it is wrong of Rizzi to consider that this new bureaucratic mode of production can represent an effective alternative to the continued supremacy of world capitalism. Instead it is important to establish that this development has occurred in the exceptional conditions of an isolated proletarian revolution that has developed immense social problems because of its isolation as a result of the defeats within the international class struggle. Therefore, the primary political choice is still between capitalism or socialism, and the political activity of the USSR is based on an adaption to the interests of capitalism, as Rizzi accepted. But Rizzi is right to contend that Trotsky has difficulty accepting the possibility of a new social formation that is neither a capitalist or genuine workers state. The result of his dogmatism is the conception of a degenerated workers state. Trotsky contends that a regime that still defends the role of nationalised property must be a type of workers state. But as Rizzi contends the crucial issue is what is the purpose of the bureaucracy in its defence of a nationalised economy. If it can be shown that the aim of the bureaucracy is to uphold the aim of the role of the exploitation of the producer’s, then it would seem to be nonsensical to still consider the character of the regime as a type of workers state. Instead it would be more logical and coherent to contend that the economy is based on the domination of a new class that exploits the workers within the emerging relations of production. As Rizzi contends the crucial issue would seem to be what is the purpose of the role of the nationalised property under the role of the bureaucracy? In this context it would be credible to suggest that if the bureaucracy is dominant within the economy, and is no longer accountable to the working class, then it would aspire to realise its own aspirations in terms of the imposition of exploitation within the process of the subordination of the producers to the objectives of this emerging dominant class. In this sense the role of the nationalised economy as the legacy of the proletarian revolution would only seem to be a formality that is no longer of importance, contrary to the views of Trotsky. As Rizzi contends, Trotsky can only uphold his position by suggesting that the nationalised economy has an inherent and unchanging relation to the role of what is a worker’s state. The problem with this view is that the very degeneration of the role of the party has meant that it has become a privileged layer of society that aspires to consolidate its position by establishing its domination of the forms of nationalised production. This development means that at some point the character of the nationalised economy will change and it no longer has any relation to the initial social content that it had during the period when the regime could be defined as a genuine expression of a worker’s state. The decline of the revolutionary character of the role of the party means the possibility for its relation to the role of nationalised economy will also change: “As it is true, as everyone admits, that not even as a result of the nationalisation of property is socialism an accomplished fact in the USSR, it seems evident to us that the nationalisation of property and the planned economy are not sufficient reasons to prove the existence of the proletarian dictatorship. For this the proletariat must also hold power – that is a self-evident truth………The USSR of today is far from convincing us. It has to be a form of society which is neither proletarian nor bourgeois. We still consider that the dictatorship of the proletariat, after realising the nationalisation of property, should continue in its way, following the socialist programme. However, everybody, and Trotsky first of all, accepts that this was not subsequently followed in the land of the soviets. Thus of what dictatorship of the proletariat are we speaking of?”(chapter two p3-4) Therefore a process of degeneration must have occurred if a genuine soviet regime had been overcome, and the logical result of this process would have been the creation of a new type of exploitative regime. But Trotsky tries to deny this development with his unsatisfactory conception of the role of the degenerated workers state. But this means that he can accept the role of exploitation within the nationalised economy and yet still try to claim that socialism is being developed in a limited and restrictive manner. This approach justifies confusion. Instead the logical result of the domination of the role of the bureaucracy must be the consolidation of its role in terms of the formation of its supremacy in terms of an exploitative role within the emerging relations of production. The point being made by Rizzi is that there is no manner in which the role of nationalised property expresses the interests of the workers because they have no influence on the character and expression of economic activity and instead are subordinated to the alienating imperatives imposed by the dominant role of the Stalinist bureaucracy. In this context any benefits from the development of the productive forces is in the interests of the role of the bureaucracy as an exploiting ruling class, and this point is defined by the low wages and long hours of the workers in the process of economic activity. Thus the workers have no ability to be able to define the character of the economic system and this means that the aims of the economy are established in terms of the intentions of the bureaucracy to extract a surplus from the producers. Indeed, this point is accepted by Trotsky, but in an inconsistent manner he also tries to contend that nationalised property has a socialist content and essence. The problem with this view is that it is not possible to define the nationalised economy in terms of some abstract essence or purpose that is abstracted from the actuality of the situation of the subordination of the producers to what is an exploiting bureaucratic class within the relations of production. Therefore the bureaucracy maintain nationalised production, not because of some abstract relationship to socialism, which would be based on the liberation of the producers, but instead because it is the most suitable expression and basis to uphold the subordination of the workers to the aims of the ruling elite. This situation also means that it would be inaccurate to describe the role of nationalised production as being an expression of an indirect relation to the aims of socialism because the role of this form of economy is to ensure the extraction of a surplus from the producers in terms of the interests of the party elite that has become an exploitative class. Only in false ideological terms does the bureaucracy justify the role of the nationalised economy as being the expression of the interests of socialism and so the representation of the aims of the workers. Such a contention is false because the workers have no economic power to be able to establish any form of control over the creation and utilisation of the surplus produced during the process of production. Instead the workers are subordinated to the aims of the party elite as a new ruling class that imposes the requirement that a surplus be produced during the process of economic activity. The only manner in which genuine socialism could be created is by the overthrow of the domination of the elite within the relations of production and the establishment of the ability of the producers to be able to establish control over the process of the creation and utilisation of the surplus. This would mean the development of an authentic situation of workers management. Rizzi makes the point that the party elite did not have to end the role of nationalised production because it understood that the consolidation of this economic form was the manner in which it was able to extract a surplus from the producers in exploitative terms. However, we would also suggest that this development was made possible by the end of any aspect of the role of economic democracy and the influence of the workers within the process of production. In this context the ability of the workers to elect the manager of the enterprise via the role of the trade unions was effectively ended. This meant that the character of the nationalised economy was transformed so that it became the suitable expression of the interests of the ruling elite. Hence it could be suggested that in its original form the role of nationalised property was progressive in that it expressed the potential to develop a progressive economy under the control of the producers. Therefore, the character of the nationalised economy was drastically modified so that it became the expression of the interests of a new ruling class that established its domination over the producers. So, an economic and political counterrevolution occurred in order to establish the supremacy of a new ruling class.

Rizzi rightly comments that it is inconsistent for Trotsky to consider that the Soviet working class is both a ruling class and yet in a subordinated situation within society. Instead in order to establish a coherent standpoint it is necessary to connect this aspect of subordination to the significance of the domination of the workers within the economy and in society in general. This means that the party elite must be a new ruling class that has established its supremacy and so is able to impose its exploitative imperatives onto the producers within the relations of production. Instead Trotsky can only define nationalised property as being progressive in hypothetical and potential terms, but the actuality is that it has a role in the imposition of the imperatives of the new ruling class on the workers. In this context it is problematical to claim that the working class is simultaneously both the ruling class and an oppressed class. Instead the subordination of the workers within the economy and society is an indication that it cannot be a ruling class and instead its interests are limited to what is of benefit to the new ruling elite. The lack of economic freedom of the workers is an expression of its domination by a new ruling class, and the fact that this situation is based on the role of what was a revolutionary party does not alter the character of this situation. Instead it is necessary to contend that what was the party of the working class has regressed into becoming the expression of the interests of the process of an exploitative extraction of a surplus from the working class. In this manner all the progressive gains of the revolutionary process have been effectively ended. This situation means that it is an illusion to contend that in some distorted manner the party elite is still defending the gains of the October revolution in terms of the continued importance of the role of the nationalised economy. Instead the character of the nationalised economy under the regime of the Stalinists is an indication that this situation represents a structural form in which the interests of the new bureaucratic ruling class can be most effectively upheld in terms of the imposition of a situation of the exploitation of the producers. The problem with the approach of Trotsky is that he tries to differentiate the character of the nationalised economy from the regime of the Stalinists, and so the social formation is defined as being both progressive and reactionary. This standpoint is not convincing because the function of the nationalised economy is the objective basis of the economic power and domination of a new exploitative ruling class. Hence to suggest that the nationalised economy is in some sense progressive and socialist is an illusion that tries to ignore its relationship to the supremacy of the party elite, and an attempt to deny the importance of the aspect of the extraction of a surplus from the producers in terms of the character of the state domination of the process of economic activity.

Rizzi argues that one of the reasons for the limitations of Trotsky’s position is that he cannot envisage a type of society that is neither capitalist or socialist. But the very problems of the isolation of the Russian revolution and the failure of international revolution has led to this very situation. Rizzi makes the important point that in order to establish the stability of this process of regression it was necessary for the party elite to establish a new type of social formation based on the systematic exploitation of the producers. In this context the conception of a type of society that is transitional between capitalism and socialism seems not to be explanatory about the consolidation of the forms of domination and subjugation of the people. Hence it is necessary to establish an understanding based on clarity that is able to explicitly indicate that a new and regressive type of social formation is being established in the USSR. This point seems to be valid, but the problem with his perspective is that it also results in pessimistic conclusions such as questioning the very possibility to establish an international socialist alternative to this process of reactionary development. This means that Trotsky’s standpoint seems to be more principled and explanatory because he does not reject the continued importance and necessity of proletarian revolution if humanity is to make social progress and to therefore create the conditions for a classless society. Trotsky argues that the character of the USSR is still transitional because the possibility of world revolution is also a possibility, and the success of this development would as a result transform the USSR in a progressive manner. In contrast, Rizzi seems to reject this perspective because he can only envisage the continued success of the development of the bureaucratic social formation. Therefore, Rizzi has a more convincing explanation of the social character of the USSR, but this approach is utilised in order to justify a pessimistic conception of the possibilities of the success of the struggle for socialism. He can only envisage the durability of the role of the new social formation that has developed within the USSR. The result of this standpoint is that he considers that the role of the working class has been reduced to that of slaves, and so they are unable to express a formidable opponent to the continuation of the new bureaucratic social formation and capitalism. Instead what is considered to be relevant is the expansion of the new type of society so that it becomes dominant in world terms. This is an unrealistic and pessimistic perspective that is unable to recognise both the strengths of capitalism and the possibility for the working class to still express the possibility of opposition to the various types of exploitative regimes that have developed. In this context it is only Trotsky who has outlined a credible strategy of class struggle in terms of the advocacy of the transitional programme. He understands that the continuation of economic crisis and the onset of inter-imperialist war represent the possibility for the advance of the class struggle. But this approach is one-sided in that because of the importance of social instability he does not want to define the USSR as a durable social formation, and instead defines it in the transitional terms of being neither capitalist, or socialist, or a new type of social formation. But as Rizzi outlines the character of the social formation has stabilised in terms of the ability of what has become a new ruling class to be able to exploit the workers, and so generate a surplus in these reactionary terms. Trotsky considers that the social character of the nationalised economy means that society is an expression of a degenerated workers state, but this view is false because there is nothing inherently progressive about the role of nationalisation if it is based on the interests of a new elite who utilise this domination in terms of the realisation of their own interests and so reject the aspirations of the producers in an emphatic manner. Therefore, the question that has to be asked is what is the purpose of the nationalised economy? Does it in some limited manner still uphold the interests of the workers, or is it based on the realisation of the interests of a new bureaucratic elite at the expense of the producers? The only reasonable answer to this question is that the role of the nationalised economy has become the expression of the ability of a new elite to be able to exploit the workers and so create a surplus that enables this system to function and continue. Indeed, Trotsky does not deny this point, but he also tries to suggest that in some complex manner the development of the productive forces as a result of the progressive character of the nationalised economy is of benefit to the workers. But this view could also be applied to capitalism, nevertheless this aspect does not contradict the understanding that capitalism is still based on the importance of the exploitation of the producers because of the domination of the employers within the relations of production. The point is that it is the character of the relations of production of the USSR which define its social character.

In answering this question, Rizzi makes the following point: “We wonder what sort of “nationalised” property this is where the property is exclusively directed by a class which then lays hold of the products with as much effrontery as the old bourgeoisie. There exists in Russia in fact an exploiting class which controls the means of production and which behaves as their owner. The members of this class do not share the property out but are themselves, in a bloc constituting a class, the real owners of the whole nationalised property.”(chapter three page 2) This situation could only be defined as being an expression of the aims of socialism if it could be shown that in some manner the role of the bureaucracy acts to uphold the interests of this type of system. In other words the bureaucracy would utilise their domination of the nationalised economy in a manner that would express the aspirations of the people in society in some indirect, and yet effective context. Yet it cannot be suggested that this is the expression of what occurs. Instead the bureaucracy utilises its supremacy in the relations of production exclusively in its own interests, or in terms of the accumulation of a surplus that enables it to control and dictate the activity of the producers. It cannot be argued in a convincing manner that this situation in some indirect and yet effective manner is in the interests of the producers, or in some sense expresses the aims of socialism. Instead all that is important is the consolidation of the domination of the new elite within the relations of production. It has been argued by some commentators like Hillel Ticktin that this situation is an expression of an unstable social formation because the workers have the ability to resist the realisation of the aims of the elite within the process of production by acts of individual discontent that result in the generation of inferior forms of use values or goods. This point may be valid, but it only indicates that the domination of the bureaucracy within the relations of production is not efficient and so does not result in a large surplus. However, despite these limitations the continued inferior position of the producers within the relations of production means that the workers still have to act, even if reluctantly, in terms of the aims of the elite within the process of economic activity. They still have to create a surplus that is expropriated by the elite in terms of the control of the output and distribution of the product. The fact that the workers have no genuine power as to what happens to the goods, they produce means that the effective domination of their process of production is the outcome of the supremacy of the bureaucracy within the relations of production. This means that even if the system is ineffective from the standpoint of efficiency the outcome of the relations of power within the relations of production is based on the ability of the elite to be able to exploit the producers because they are able to expropriate the surplus that is created. This does not mean that the surplus is created in an efficient manner, but the fact that the workers have no control over the surplus that they have created means that the ability to establish the possibility to define the character of economic activity must be the prerogative of the new elite in terms of the importance of their supremacy within the nationalised economy.

However, Rizzi is wrong to characterise the surplus as being an expression of surplus value. If there was the generation of surplus value this would mean that commodities were produced for the market on the basis of the role of competition between private producers. But in the situation of the domination of the state on the basis of the importance of the nationalised economy, there is no competition between rival types of private enterprises, and so the use values that are created by the various enterprises are effectively use values, which are then purchased by the workers. These goods lack the aspect of genuine exchange value based on the influence of competition and instead prices are arbitrarily decided by the decisions of the state planning agency. It is in these bureaucratic terms that the possibility of a surplus is possible because of the difference between the outcome of the activity of production and the level of investment of the plan. This process is inefficient in terms of being able to generate a surplus because of the very lack of the role of commodity production which would result in the highest levels of production in relation to the investment contributed. Instead because of the absence of a commodity market means that goods are of a low quality and these flawed items are considered to be satisfactory in terms of meeting the needs of society. This situation is an indication that the domination of the bureaucracy represented a situation in which the economic character of Stalinism was inferior to the most developed types of capitalism. However, these limitations do not undermine the ability of the new elite to be able to dominate the nationalised economy, and this is the most important aspect from their standpoint. This control enables them to be able to define the objectives and aims of the economy in terms of their interests, and in this manner a surplus is extracted, even if has an unsatisfactory form. Therefore the bureaucratic economy is inferior to capitalism, and so represents an inherently unviable social formation, as Ticktin contends. The overall outcome of this situation is that there is a tendency for the restoration of capitalism in order to create a more efficient type of production. The bureaucracy can only enforce their system in terms of the utilisation of the methods of repression. What is important to understand is that whilst the system is not economically efficient it is based on the subordination of the producers to the requirements of the elite, and in this manner the character of the relations of production is based on the intention to extract a surplus from the producers. In this sense the initial potential of the economy to be an expression of the possibility for socialism is ended: “In reality, during the dictatorship of the proletariat property had a class character, it belongs to the workers who manage it, so that it shows its socialist character only potentially. If property is nationalised in a non-proletarian regime, it loses if character as potential socialist property and remains class property only.”(chapter three, p4) This is what happened during the period after the Russian revolution. Initially the process of economic activity was under the supervision of the factory committees, which meant that there was the potential to establish forms of genuine and credible economic democracy, which would have meant the producers would have been able to define the aims and objectives of the process of production. This development was diluted by the installation of the role of one-man management, but this situation was still based on some form of accountability to the organisations of the working class. In this context what had become the degenerated workers state was still not yet able to undermine the influence of the workers within the process of production, and so this meant that the surplus was to some extent defined by the priorities established by the workers. But the onset of rapid industrialisation led to the end of all of these aspects of economic democracy, and so the result was the creation of the omnipotent power of the bureaucratic state to define the objectives of the economy. In this context it was possible for the bureaucracy to establish its ability to systematically extract a surplus from the workers, or to generate the process of exploitation within the relations of production. The political counterrevolution which led to the victory of Stalinism enabled the possibility to transform the character of the nationalised economy so that it no longer expressed in some sense the objectives of the workers and instead the aims of the party elite became primary. Or as Rizzi contends: “if common sense refuses to hold that the Soviet workers are the owners of the means of production, it is logical to consider that ownership of the means of production belongs to the bureaucracy.”(chapter three, page four) This development may be obscured in political and ideological terms in that it is argued by the state that the nationalised economy belongs to the people, but in terms of actual economic practice the state imposes its directives within the process of production in an oppressive and exploitative. The logic of the situation in which economic democracy is ended by a process of political counterrevolution means that the party elite must in an omnipotent manner define the character of the economy in terms of its own exploitative imperatives. In this sense the conception of the degenerated workers state can only be a temporary period before either the restoration of the genuine economic and political power of the producers, or else the consolidation of the economic domination of the nationalised economy by the party elite. The problem has been that the degeneration of the party under unfavourable conditions for the construction of socialism has ultimately resulted in the development of a new type of bureaucratic economy in which the role of exploitation has not been ended. Trotsky tries to deny this development in terms of his view that the nationalised property is in some distorted sense still the expression of the aims of socialism. But the point that is effectively ignored by Trotsky is the issue of who is dominant within the nationalised economy, and for what purpose. Only if the working class is still able to define the aims and objectives of economic activity and so has control over the creation and utilisation of the surplus is it possible to suggest that the nationalised economy is in some sense an expression of the imperatives of socialism. But this is not the situation. Instead a counterrevolution has occurred which has led to the ascendency of an unaccountable party elite within the relations of production, and this means that they utilise the role of the nationalised economy in terms of their own interests and against those of the workers. In this context only the process of revolutionary change can transform the character of the nationalised economy so that it can genuinely become a progressive expression of the interests of the workers. What has occurred is a process of political counterrevolution which must have important economic implications. If the party elite establishes its supremacy over the economy the result of this situation is that the character of the nationalised economy can no longer be an expression of the aspirations and interests of the workers. Instead its character must have changed so that it represents the interests of the elite and so is opposed to the standpoint of the workers. This situation is defined by Rizzi in the following manner: “In our opinion, in the USSR the owners are the bureaucrats since it is they who have the power in their hands. It is they who direct the economy, just as it was normal amongst the bourgeoisie. It is they who reap the benefits, just as it was normal for any exploiting class; those who fix wages and the selling prices of commodities are, once again the bureaucrats.”(chapter three page 5) And: “The workers count for nothing in the control of society; further they have no share in the receipts of surplus value and, what is still worse, have no interest in defending this alien nationalised property. The workers are still exploited and the bureaucrats are their exploiters.”(chapter three page 5) These comments outline in a convincing manner that if the workers have no economic power within the relations of production of the nationalised economy this must mean that this is because they are exploited by what has become a class of employers in terms of the alienating imperatives of the state. In this context there can be nothing inherently socialist or progressive about the nationalised economy, and instead this represents the structural context in which their subordination is ensured within the relations of production. There is no indication of an influence or expression of the importance of the producers within the nationalised economy, and this means that it is under the sway of the party elite that is able to utilise their domination in order to impose their interests onto an exploited working class. The only manner in which this economy could become an expression of the interests of socialism would be by the success of a new proletarian revolution that enabled the workers to begin the construction of a genuine type of society without the role of exploitation within the economy. Only the development of workers management could express the possibility for the nationalised economy to become the genuine expression of the aims of the creation of a classless society. However, this revolutionary perspective does not seem to be an aspect of the approach of Rizzi, because he cannot contemplate the possibility of the workers being able to overcome their domination by the party elite. Instead he can only contemplate the success of the role of barbarism within society. In this context the approach of Trotsky seems to be more principled because he can envisage the workers overcoming the domination of the bureaucracy by a process of revolutionary change. Trotsky considers that the situation of the subordination of the workers within society will ultimately not be tolerated by them and instead they will oppose the supremacy of the bureaucracy. Hence if we are to develop the most coherent and principled approach it is necessary to combine the standpoint of Rizzi and Trotsky. On the one hand Rizzi has outlined how if the workers are not able to establish the possibility to define the objectives and character of the economy in terms of their own aspirations and control of the process of production, the result must be that the bureaucracy has developed a situation in which it is able to establish its exploitative domination which means that the workers are the instruments of the imperatives of a process of the extraction of a surplus from their labour. On the other hand, Trotsky has developed the most convincing arguments as to why the situation of the supremacy of the bureaucracy within society can only be temporary and so the workers will ultimately reject this situation in which the aspirations of socialism are undermined by the reactionary role of the party elite. There is no methodological reason why these apparently conflicting perspectives cannot be united in terms of the view that the workers will reject the domination of the role of the bureaucracy within the economy, or at least there is the potential for this possibility. The problem with the approach of Rizzi is that he can only contemplate the importance of the reduction of the role of the working class to the status of slaves, or a social situation that is inferior to that which has been attained within capitalism. The result of his standpoint is that of political pessimism. It could be argued that his approach was more feasible because ultimately the bureaucratic system was replaced by that of capitalism instead of the restoration of socialism. This point is true, but it ignores the fact that the working class engaged in many instances of opposition to the system in Eastern Europe and the USSR. It could have been quite possible that the success of the mass actions of the workers could have led to the revival of a genuine type of socialism, and in that sense the domination of the bureaucracy was not a stable aspect of society.

It has been argued by Hillel Ticktin that the character of the opposition of the working class to the system was limited to atomised and individual acts of discontent that could not result in collective forms of mass opposition to the supremacy of the bureaucracy within the relations of production. This point is generally correct because of the problem of the difficulties that the workers of the Stalinist system had in being able to form genuine trade unions. It has to be recognised that if the workers of the capitalist countries have ineffective trade unions then the situation is similar to that which has occurred in the Stalinist countries. The inability to develop collective forms of defensive organisation is the reason why the workers under Stalinism have been unable to go beyond individual forms of opposition to the system. This is precisely why Stalinism can only be upheld in conditions of political authoritarianism and the denial of the ability of the workers to be able to engage in collective forms of organisation. Only in terms of the rejection of all forms of economic and political democracy can the Stalinism system be sustained. The result of this situation means that the worker is only able to express opposition and discontent in individual terms. There is nothing exceptional about the fact that the workers have to resort to individual acts of dissent within the process of production. But this is not the cause of the creation of inferior goods contrary to the views of Ticktin. The major reason that goods are inferior is because of the lack of a genuine market for goods, because the role of the market and the related aspect of competition is what creates the economic conditions for the necessity of high-quality commodities in order to realise a profit by the process of sale an exchange. But in the USSR there was no expression of genuine competition because of the lack of rivalry between different private firms and so the result was the generation of inferior goods because the state had monopoly domination in relation to the process of production and the possibilities of exchange. If a given enterprise was unable to sell its goods because they were of an inferior quality, it would not be closed because it had formally met the requirements of the plan. Instead it could continue to produce these inferior goods until it was ultimately criticised by the planners, which was a rare occurrence. The result of this situation was that the creation of goods for the consumer market was of a limited and inferior character. The people could only realise their consumption needs by resort to the process of unofficial exchange and trying to obtain western goods. They would also try to achieve a situation of self-sufficiency in relation to the production of food stuffs on private plots. This situation was an indication that there was nothing progressive about nationalised production because of an indifference of the state planners to the consumption needs of the people, as a result of the inability to produce high quality goods, and instead the elite was content if it was able to obtain a sufficient level of surplus. The contradiction of the system was that it was possible to obtain a surplus by the exploitation of the producers without the necessity of having to create high quality consumer goods. This situation was an indication of its inferiority to capitalism, because this system is based on the connection between the generation of surplus value as a result of the exploitation of the workers and the sale of use values that are wanted by consumers as commodities. Hence there was a tendency for the Stalinist economic system to decline because it could not realise consumer needs in an effective manner. Instead as a result the producers had no incentive to work in an efficient manner because their wages could not become the basis to obtain satisfactory consumer goods. This situation indicated the contempt for the workers expressed by the character of the system because the needs of the people were considered to be entirely of a secondary character. But this situation was satisfactory to the bureaucracy because it was the basis on which it could ensure its domination of the process of production, and so obtain a surplus via the formal realisation of the targets of the plan. Profit was based on the realisation of the economic targets of production and not by the sale of goods as commodities. Indeed, it was a use value economy because goods were not genuinely created for sale on the market, and instead were considered to be mere aspects of the aims of the production of the plan.

This situation indicated the temporary character of the Stalinist system because it could not develop the productive forces in an effective manner. It was possible to create the required means of production and the interests of the sphere of armaments was developed, but in terms of consumer goods the situation was continually unsatisfactory. This meant there was a generalised dissatisfaction with the economy in society and so the possibility for this unrest to become generalised in terms of revolutionary opposition was always present. The result of this situation meant the party elite could only rule in terms of the denial of any possibility of democratic accountability. But the lack of economic efficiency combined with political repression meant that it was obvious that the character of society was inferior to that of advanced capitalism. The so-called expression of socialism was not the creation of a social formation that was superior to capitalism, and instead was inferior. For these reasons it could not be the expression of a new type of society that would become an alternative to capitalism. Instead the only genuine alternatives were between capitalism and the development of what would be genuine socialism based on the revolutionary transformation of Stalinist society by the working class. But the possible transitional character of the USSR did not mean that it was not dominated by the bureaucracy as a new ruling class. Instead the control and domination of the relations of production by the party elite meant that a situation of a new form of economic domination had become realised. This situation was connected to the subordination of the producers to the imperatives within productive activity imposed by the bureaucracy. The fact that this situation was inefficient and led to the creation of inferior use-values did not alter this situation of unequal power relations within the social formation. Ticktin is right to suggest that Stalinist society was unviable because of its important economic limitations but wrong to also imply that it was not a coherent social formation. Instead it was a social formation because in however an inadequate manner the bureaucracy had established its control and domination of the process of economic activity in an exploitative manner. Indeed, if this was not the situation then the economy would not be able to function and instead would be completely disorganised. But the very ability of the bureaucracy to establish domination within the relations of production and so generate a surplus, in however an inadequate manner, was an indication that a type of distinct mode of production had been established. This economic system was not a form of capitalism because the competitive role of companies, characteristic of capitalism, and the related production for the market of commodities, had been replaced by the complete control of the state, and this meant there was an indifference about the quality of the use values that were created. This situation could only be the outcome of the defeat of what had been a genuine proletarian revolution, because the revolutionary party had degenerated to the extent that it had become the expression of the development of a new form of exploitative social formation, and so repudiated all aspects of the influence of workers management which had been a feature of the period 1918-28. Such a specific reason for the development of this new mode of production meant that it could not express the historical logic of the dynamics of the productive forces, and this was expressed by the false ideology of socialism which attempted in unconvincing terms to try and suggest to the people that the economy was the manifestation of the continuation of the development of socialism. Therefore, the role of ideology was to try and gloss over the reality of the actual generation of a new repressive social formation. In actuality a process of state coercion ensured the economic domination of the party elite, and this meant that there was no progressive historical logic that was an expression of the development of a superior mode of production. Hence Rizzi is wrong to imply that this system was replacing capitalism, because it was totally inferior to capitalism, and the actual historical choice was still between socialism and capitalism.

 An important point to be made is that the system would be an expression of capitalism if it could be considered that the character of the production of value by the working class also assumed the aspect of being the generation of exchange value in terms of the production of commodities. But this development does not occur because of the lack of the role of private companies who can produce use values with exchange values or commodities because they are created for the purpose of sale on the market. This is because the state dominates the economy in terms of the role of nationalised property which means that it is not possible to create use values with a genuine expression of exchange value. But this situation does not mean that there is an expression of the potential for socialism within the economy in terms of the progressive possibilities of the nationalised economy because this is under the control of an effective ruling class that is able to establish a situation in which it has the power to be able to extract a surplus from the producers. This does not mean that such a development is an expression of a systematic or efficient process because of the alienation of the producers who attempt to reject the aims of the ruling class in terms of the development of forms of opposition to the intentions of the exploitative ruling class. But Trotsky denies this situation because to him there is something inherently progressive about the role of the nationalised economy as a result of its supposed relation to the aims of socialism. However, such a point could be made about capitalism in that it represents the basis of the development of the productive forces that express the possibility to realise socialism, but this does not mean that capitalism is not based on exploitative relations of production. The issue as to whether this potential is realised depends on the ability of the producers to be able to overcome and transform the relations of production of capitalism and so establish a genuine type of socialism. Only then could it be said that the potential of capitalism to develop the pre-conditions for socialism had been realised. In a similar manner the possibility for the nationalised economy of the bureaucratic state to become the expression of socialism also depends on the issue as to whether the workers will be able to overthrow the existing economic and political system and so therefore create the conditions for the realisation of economic democracy. Only in this progressive and revolutionary manner could it be said that there is a connection between the nationalised economy of the bureaucratic state and that of the system of a genuine and emancipatory type of socialism. However, this is the very distinction that is being denied by Trotsky because he seems to imply that the bureaucratic state in some sense is an expression of socialism because of the progressive character of the nationalised economy, but this view seems to deny the importance of the issue as to what is the purpose of this economic form. The point is that the nationalised type of production under Stalinism is being utilised in order to uphold the exploitative objectives of what is a new and reactionary ruling class. Therefore under the present circumstances this type of economic structure can only have a reactionary character, and so the issue of the realisation of any progressive possibilities depends on the overthrow of the existing economic system and the establishment of an entirely different character to the role of nationalised production, which would become under the definite influence of the workers and so acquire different and genuinely emancipatory objectives. Until this development it can be suggested that because of the domination of the economy by a party elite, which also has control of the state in order to be able to dictate the character of the economy, it has to be indicated that this expression of the power of the bureaucracy within the relations of production can only have the result that it is able to exploit the producers. This is the basic point that Trotsky is trying to deny with his emphasis on the progressive possibilities of the nationalised economy. Indeed Trotsky accepts that there is exploitation of the workers in economic terms, and yet still considers that in some sense the relations of production can be abstracted from this aspect and so be defined as socialist. This standpoint represents an inconsistency that can only be reconciled by the recognition that there is a new bureaucratic mode of production based on the systematic subordination of the producers within the process of economic activity.

However, Rizzi is wrong to conclude that the status of the worker has been reduced to that of a slave. He argues that without the effective ability of the worker to be able to achieve economic independence by moving between jobs and the related situation of the ability of the state to be able to dominate all aspects of the activity of the producers means that the worker is a slave: “Exploitation takes place just like in slave society, the state subject works only for the master who has brought him, he becomes his capital, he is the livestock which must be looked after and housed, in whose reproduction the master is greatly interested. Even the part payment of the so-called wage in goods and state services must not deceive us and lead us to assume a socialist form of distribution: this represents in fact only the upkeep of a slave!”(chapter five page 3) It is true that the worker under the domination of Stalinism has less rights than the workers of the advanced capitalist countries, most importantly the right to organise trade unions and so defend rights in a collective manner. But the fact that the nationalised economy is based on the role of factories means that the workers economic activity has collective aspects and implies a common aspect to their conditions of exploitation. This situation means that they do not have the at atomised conditions of slaves, and instead have the potential to be able to develop a conception of their interests which is collective and so in this manner represent the possibility to pose a challenge to the bureaucratic system. Indeed, this development was indicated by the many strikes that occurred in the Soviet Union, and by the mass uprisings in Poland and Hungary. It is true that the workers of the USSR had less rights than those of the advanced capitalist countries and so in a sense they are more exploited and oppressed. But the very fact of the nature of industrial production means that they are defined by collective and social production and so have the attributes and character of being a distinct form of the working class. It is also necessary to reject the approach of Rizzi in historical terms, because his approach implies that the slave class will be unable to oppose and overthrow the reactionary bureaucratic system. The result of this assumption is that there is a pessimistic political standpoint that could result in the rejection of a revolutionary conception of the emancipatory possibilities of class struggle. In contrast, the approach of Trotsky upholds a revolutionary approach that is based on the possibility of world revolution rather than the domination of the bureaucracy over the slave class. But it was still necessary to strive to develop genuine trade unions and political parties if the workers under Stalinist rule were to become an effective opposition to the bureaucratic system. Therefore, it was necessary to admit that there were important difficulties that had to be overcome. Under the present conditions the situation did favour the ability of the bureaucracy to be able to impose its imperatives on an unorganised working class. In this context the workers could only oppose the system in terms of atomised actions of individual protest. This meant that there was an impasse that had to be overcome by the creation of the conditions under which the workers would be able to engage in forms of collective action. Obviously, such a possibility was difficult because of the authoritarian character of the bureaucratic regime. But despite these problems the worker still received a wage as the reward for labour, and so in this manner this situation expressed the fact that the worker was not a slave. If this wage payment was not part of the renumeration of labour then it could be argued that the workers were slaves, and this situation was certainly expressed in terms of the conditions of the concentration camps. Therefore, there was an aspect of slave labour in the bureaucratic social formation, but this was still secondary when contrasted to the situation of the role of wage labour in the major enterprises. This situation would represent the reproduction of capitalism if it was not for the fact that there was not genuine competition between companies and the lack of the creation of genuine commodities. But it can be contended that there was a recognisable working class but with conditions that were inferior to those of advanced capitalism.

In other words, the approach of Rizzi outlines the most comprehensive understanding of the class character of the Soviet Union in terms of the explanation of the exploitative domination of a new ruling class. This coherent approach is only undermined by the pessimistic implication that the possibility for the development of successful class struggle seems to have been undermined by the ascendency of the rule of the new class.