A CRITICAL ANALYSIS OF TROTSKY’S UNDERSTANDING OF STALINISM

The Russian revolution has a problematical character because it was never possible to realise the socialist aims of the leadership of this event. This was because of the development of civil war and the isolation of what was an economically underdeveloped country. The result of this situation was the development of the rule of a political elite that effectively expressed the belief that it could advance the interests of socialism because of its revolutionary objectives. However, this approach was increasingly challenged as a result of the isolation of what had become the Soviet Union and the apparent problems in the development of the advance of the world proletarian revolution. The ultimate expression of this situation was the domination of the party elite led by Stalin which adapted to this situation in terms of the approach outlined by Bukharin of socialism in one country. This perspective was justified by the continuation of the New Economic Policy, or the importance of the continuation of the alliance of the workers and peasants. This approach led to limited advances for the workers and peasants because the workers could sell the goods they produced to an increasingly prosperous peasantry. However, Stalin began to consider that this approach was not resulting in the consolidation of socialism in an effective manner because of the importance of the influence of the petty bourgeois commodity economy. The result of this understanding was the collectivisation of agriculture and the connected increased process of the realisation of industrialisation. But this meant that the workers and peasants became to be exploited in terms of the realisation of the objective of the increased economic modernisation of society. It seemed that such a development meant that all vestiges of a worker’s state had been ended and instead the character of society was based on the exploitative domination of the party bureaucracy. In exile Trotsky wrote an analysis of the character of the Soviet Union entitled: ‘Revolution Betrayed’ (New Park, London 1973) In his introduction Trotsky indicates that it is necessary to reject all of the various uncritical analysis of the Soviet Union as a type of authentic socialism: “If you remember that the task of socialism is to create a classless society based upon solidarity and the satisfaction of all needs, there is not yet in that fundamental sense a hint of socialism in the Soviet Union.”(p3) This comment would seem to imply that the character of the USSR must be the expression of a type of exploitative society based on the domination of a ruling class, and yet Trotsky does not justify what would seem to be a logical conclusion connected to his categorical comment that the USSR is not a type of socialism. He contends that there are material and cultural types of inequalities, state repression, and the importance of the domination of state coercion. This understanding would seem to suggest that any expression of the influence of socialism is not possible and that instead what has been developed is a type of society based on the domination of an exploitative and repressive class. The only apparent issue would be to decide whether this situation represents the generation of a new form of capitalism or the creation of a unique type of rule of a new ruling class. But this is not the conclusion that is justified despite the apparent indication of its premises in terms of the domination of society by an elite that has no relationship to the aims of socialism or the interests of the working class. Instead what is ultimately outlined is the view that this type of repressive society can still express the character of a type of degenerated workers state. Yet such a conception is based on this recognition that the workers have no effective economic and political power in the organisation of the character of society. Hence it will be necessary to outline in a convincing manner how the rule of a repressive and reactionary party bureaucracy can somehow express the class character of a type of workers state. The approach of Trotsky is to suggest that what he considers to be the impressive and inherently progressive character of the process of industrialisation that has occurred could not have occurred in terms of the creation of the rule of new type of ruling class: “Gigantic achievements in industry, enormously promising beginnings in agriculture, an extraordinary growth of the old industrial cities and a building of new ones, a rapid increase in the number of workers, a rise in the cultural level and cultural demands – such are the indubitable result of the October revolution…..Socialism has demonstrated its right to victory, not on the pages of Das Kapital, but in an industrial arena comprising a sixth part of the earth’s surface – not in the language of dialectics, but in the language of steel, cement and electricity.”(p8) But such a understanding would seem to suggest that some type of socialism has been realised that was the result of the ability of the party elite to be able to generate the possibility of industrial growth. This understanding does not seem to explain the apparent fact that this very possibility was based on the exploitation of the workers and peasants. Only the imposition of forms of state coercion could ensure that the people acted in order to ensure the realisation of the aims and objectives of the party elite. There was no expression of the importance of the development of the genuine participation of the workers and peasants in this process. Instead the importance of the coercive role of the state ensured that the economic objectives of the elite were realised. Such a situation could not be considered to be in any manner the expression of any type of system of socialism. But Trotsky denies this type of conclusion because he considers that the role of even a degenerating form of Bolshevism could not express the interests of a new exploitative type of society, even if he accepts that there are aspects of exploitation in the economic system. Hence his approach is ambiguous, and he can only consider that it represents a type of socialism because of the apparent superiority of the planned economy. But the crucial issue that has to be addressed concerns the actual relationship of the producers to the party in terms of the economy that is being created. If the producers have no effective economic power, then this would suggest that they are being exploited. This is the issue that Trotsky has to address, and it could be suggested that his approach to this issue is not satisfactory.

But the approach of Trotsky is also based on an insistent analysis that both praises the achievements of the economy and yet also mentions the importance of its apparent low level of productivity and the inferior quality of the goods that are produced. But he does not connect this observation to any understanding of the character of the economic system. Instead the assumption is that this type of economy is still in many respect’s superior to that of capitalism. But the major point that he has to tackle is that the party elite has a dominating relationship to economic activity which implies that it has the ability to be able to extract a surplus from the producers in an exploitative and unaccountable manner. In this context it would seem to be unconvincing to still suggest that this type of relations of production has any relationship to socialism, and yet this is ultimately the argument being made by Trotsky. But the only manner in which this conclusion could be convincing would be to suggest that the party bureaucracy is in some manner progressive in economic terms. Yet this is not the conclusion being made by Trotsky, instead he accepts that the bureaucracy is reactionary in terms of its economic and political character. But this means that he suggests that there is a situation of differentiation between the role of the bureaucracy and the character of the economy, which can still be defined as having progressive aspects. Such a conclusion is not convincing because this approach denies the importance of the control by the bureaucracy over the character of the economy and society. Trotsky does understand that this approach could be problematical and so he primarily connects the continuation of the aspects of socialism as a result of the importance of the initial achievements of the revolution. The problem is that the development of the actual domination of the economy by the party elite cannot be understood in a consistent manner in terms of the expression of the role of a type of exploitation of the workers and peasants. Instead in an ambiguous manner the very character of the economy under the domination of the emerging bureaucracy has to be defined as being progressive despite the complete lack of influence of the workers and peasants.

The basis of the inconsistencies of the approach of Trotsky is connected to his analysis of the economic situation since the period of the New Economic Policy. He increasingly considers that the approach of the NEP led to concessions being made to the rich peasants or kulaks. This implied that the emerging Left Opposition was in favour of measures being taken that would undermine the influence of the kulaks within the economy. But the problem was that this approach ignored the fact that under the NEP a situation of the increasing ability of the peasants to provide food for the cities was being created because of the increasingly high level of prices for agricultural goods. The actual problem was the failure of industry to provide the products that were needed by the peasants in order to increase their production. Hence the actual problem was not that of the apparent increasing economic influence of the kulaks but was instead the inability of industry to become more effective. The result of this inefficiency was the inability to generate the conditions to create a genuine connection between the interests of the city and countryside. Trotsky outlines how this situation was only formally resolved by measures taken to undermine the interests of the kulak: “In order to feed the cities, it was necessary to take from the kulak the daily bread. This could be achieved only by force…..The violent seizures of grain deprived the well-off peasants of their motives to increase sowings. The hired hands and the poor peasants found themselves without work.” (p36) But Trotsky’s criticism of this development is not based on the recognition of the necessity to maintain the approach of the New Economic Policy. He does not consistently recognise that the only manner in which this approach of increasing coercion of the peasants could be rejected was by the continuation of the NEP and the connected understanding of the necessity to uphold the approach of high prices for the agricultural goods of the peasants. Instead whilst criticising the repressive manner in which the process of collectivisation of the rural economy was introduced he still supports this approach as the only basis for the resolving of the crisis of the agricultural sector: “The forced character of this course arose from the necessity of finding some salvation from the consequences of the policy of 1923-28. But even so, collectivisation should have assumed a more reasonable tempo and more deliberated forms. Having in its hands both the power and the 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) Therefore it is argued that the approach was correct, but that it was realised in an inefficient, bureaucratic and repressive manner. However, this understanding denies that the actual policy was because it was dogmatic and not related to the economic conditions in the countryside was bound to result in the situation of generalised upheaval and the discontent of the peasants. Only the imposition of coercion could ensure that an impractical approach was implemented in the most bureaucratic and repressive manner. Therefore, the only principled and consistent approach of a critic of this policy could adopt was to reject the imposition of collectivisation and to instead advocate the continuation of the NEP and the recognition of the importance of high prices for grain in order to connect the economic interests of industry and agriculture. But this approach was rejected not because of any understanding of the importance of economic rationality and was instead the result of the mistrust of the importance of the role of the kulak within the economy. This standpoint was dogmatic and as a result the flawed approach of collectivisation was adopted which could only be implemented in a repressive manner because it was essentially opposed by all of the peasants. The actual important issue was how to create the required industrial goods that would be required by the peasants in order to facilitate the process of interaction between the city and countryside. Such an understanding would have meant the continuation of the role of the NEP and the rejection of the approach of forced collectivisation. Instead of this development Trotsky supports the perspective of a voluntary type of collectivisation, but this policy was impractical because it was not wanted by any sections of the peasants. Instead all of the peasants wanted to be able to sell their produce at what they considered to be a fair price. However, this aspiration was rejected by the party elite because they wanted to achieve total domination of the economy in order to facilitate their ability to extract a surplus in order to enhance their economic power. In this context the continued importance of the proletariat-peasant alliance was rejected because it contradicted the immediate objectives of the party elite which was based on an understanding of the undermining of the influence of the peasants within the economy. In ideological terms this was justified in terms of the demise of the importance of the role of the kulak and its connected ability to be able to dictate how the relations between industry and agriculture should be realised. But in actuality the end of the importance of the kulak did not mean the supposed strengthening of the role of socialism but instead it meant the effective rejection of the influence of the peasantry within the economy. This development did not result in the increased importance of the workers within industry because the situation of the domination of the party, via the role of the managerial elite, continued to be expressed in terms of the imposition of the role of the five year plans.

The point being made is that the introduction of collectivisation meant the end of the period of the deformed workers state that had been present between 1918-28. It was the introduction of the New Economic Policy that expressed the understanding by the party of the necessity to provide material incentives for the peasants to trade in order to create the necessary agricultural goods in order to met the needs of the workers. This was an understanding that only incentives could generate the possibility for the creation of a situation in which the material needs of both the workers and peasants would be realised. But such a development was ended in the period 1928-29 because the interests of accumulation became more important to the emerging new ruling class than the necessity to maintain economic and political relations between the workers and peasants. The apparent introduction of collectivisation would supposedly result in the formation of a more efficient form of agriculture that would be able to supply cheap goods that would facilitate the process of accumulation of industry. However, this approach was a serious failure and instead the workers had to be exploited in a more systematic manner in order to gloss over the limitations of the attempt to introduce collectivisation. The only result of these developments was a serious decline in the level of productivity of agriculture. But the party elite never contemplated the reintroduction of the NEP because they considered that this would undermine the situation of the introduction of the systematic exploitation of the workers and peasants. These developments were an indication that what had occurred could not mean that the USSR was a type of workers state. Instead Trotsky glosses over the importance of these developments when he comments that: “It would be truer, therefore to name the present Soviet regime in all its contradictoriness, not a socialist regime, but a preparatory regime transitional from capitalism to socialism.”(p47) But this would imply that in some elitist manner the party bureaucracy was in some manner carrying out a type of progressive approach that would enhance the material conditions for the realisation of socialism. This understanding was problematical because the end of the NEP was not in order to replace the influence of capitalism with that of an apparent process of movement towards socialism in elitist terms, but was instead about realising the importance of the bureaucracy and so consolidating its economic and political power within society. The actual progressive policy would have been for the continuation of the NEP and the consistent attempt to create the possibility to reconcile the interests of the workers and peasants. Instead Trotsky seems to ultimately support the objectives of the party bureaucracy in relation to the kulaks because of their apparent support for an approach that was opposed to the aims of socialism: “Economic contradictions produce social antagonisms, which in turn develop their own logic, not awaiting the further growth of the productive forces. We have just seen how true this was in the case of the kulak who did not wish to “grow” evolutionary into socialism, and who to the surprise of the bureaucracy and its ideologues, demanded a new and supplementary revolution.”(p48) But in actuality this supposed radical approach of the kulaks was nothing more than support for the genuine continuation of the NEP. They did not aspire in any manner to undermine the worker-peasant alliance and instead wanted to continue it in terms of the provision of goods for industry at reasonable prices. It was the party elite that began to contend that this situation was no longer satisfactory, but this stance was irrational because it could only result in the undermining of the productivity of the peasants, which was the outcome of the imposition of the unwanted and coercive approach of the collectivisation of agriculture. The only alternative to this situation is the continuation of the NEP, but Trotsky is reluctant to make this demand and instead in an unrealistic manner advocates a more rational manner for the introduction of collectivisation. This possibility is unrealistic because the party elite can only introduce a major economic change in repressive terms.

Trotsky’s approach has problems because he does not consider that the role of the NEP should be long-term and the basis to maintain the importance of the proletariat-peasant alliance. Instead he supports the view that the NEP should be replaced in the short-term with the development of a different standpoint that is based on a quicker tempo in relation to the issue of industrial growth and the modernisation of the system of agriculture. But he also implies that the objective of the maintenance of the worker-peasant alliance should be retained in terms of a slower rate of collectivisation. But the result of this standpoint is to support a conception of the NEP that is not realistic. The point is that the overwhelming majority of the peasantry were against collectivisation in any manifestation. Instead they were in favour of the role of private forms of production as the basis of their possible prosperity and relations with industry. Hence Trotsky’s support for a more voluntary type of collectivisation was unrealistic and did not correspond to the overwhelming objectives of the peasants which was to produce food for the workers on the basis of the realisation of the prosperity of their private forms of economic activity. Nor did the workers support the collectivisation of agriculture because they recognised that the present type of peasant production was quite efficient and able to provide them with agricultural goods. Hence the only agency that supported the collectivisation of agriculture was the Stalinist party system. This was because collectivisation could undermine the influence of private forms of peasant economic activity. The ultimate objective of the Soviet government was to increase their economic power and so undermine the influence of the peasants. This approach was also connected to the undermining of the importance of the Bukharin led right opposition. But Trotsky could not emphatically oppose the imposition of collectivisation because of his ultimate equation with the extension of the importance of state ownership of the process of productive activity with the understanding of the development of the influence of socialism. However, he also rejected the methods of bureaucratic repression and so in an unrealistic manner advocated the voluntary extension of collectivisation in terms of the gaining of the support of the peasants for this measure. But such a development could not possibly occur and instead collectivisation was a coercively imposed process that could only alienate the peasants in relation to the economic objectives of the state. However, this approach was not illogical despite the lack of support of the peasants for this measure because it could only result in the increased domination of the economy by the objectives of the party state. Unfortunately, Trotsky’s equation of nationalisation with socialism meant that he could not recognise the reactionary character of the measures being imposed on an alienated peasantry, and so in a critical manner he supported them in an unenthusiastic manner. But such a stance meant that he accommodated to the view that the party elite was advancing the objective of socialism in a bureaucratic manner.

The outcome of his approach was that the domination of the masses by the bureaucracy was in some senses a progressive development. On the one hand he considered: “The bureaucracy has no only not disappeared, yielding its place to the masses, but has turned into an uncontrolled force dominating the masses.”(p51) This view implied that there was nothing progressive about this relationship and this suggested that the result could not be in any manner in the interests of socialism. But this view is modified by the view that the type of society that is being created, even under the domination of the Stalinist elite is in some manner of a contradictory character that implies a relationship between the influence of socialism and the emphasis on its own privileges. Hence the contradictory character of the initial character of the workers state established by the Bolsheviks has not been ended: “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 ensuring therein.”(p54) But the point was that this definition even if it had some validity in explaining the character of the initial Bolshevik regime of Lenin, had become antiquated during the era of Stalin. This was because the character of the defence of state property had become the expression of the interests of an omnipotent party elite that had acquired domination over the economy. There was no longer any manner of accountability to the workers in this situation and instead the character of economic activity was primarily based on the possibility of the continuation of the domination of what had become a consolidated bureaucratic elite. In this context the contradiction between the process of production and distribution had been resolved in a reactionary manner and the role of the working class had been systematically reduced to the expression of the aims and objectives of the bureaucracy within the process of production. Trotsky accepts that this situation cannot express the realisation of socialism and yet he is reluctant to also conclude that what has occurred is the creation of the domination of a new ruling class. In other words what he is adopting is the confused view that in some senses, such as the importance of a nationalised economy, aspects of socialism are being realised. But if there is the exploitative and repressive domination of the party elite, in what manner can it be suggested that what has occurred is the expression of the creation of a society that expresses tendencies for the potential of socialism? Indeed this standpoint is the essential conclusion made by Trotsky who accepts that economic irrationality has become the basis of the domination of the party elite in terms of the increasing worthless character of the role of money and the formal collectivisation of agriculture which has replaced the importance of the New Economic policy. But the point is that these aspects of economic irrationality can only be understood in terms of the aspiration of the bureaucracy to realise effective domination of the economy as the basis of the generation of a surplus from the producers. Indeed, this is the actual understanding that is also accepted by Trotsky, but he establishes it without making the required and logical conclusions.

Hence, he comments: “Socialism, or the lowest stage of communism, demands, to be sure, a strict control of the amount of labour and the amount of consumption, but it assumes in any case more humane forms of control than those invented by the exploitative genius of capital. In the Soviet Union, however, there is now taking place a ruthlessly severe fitting in of backward human material to the technique borrowed from capitalism. In the struggle to achieve European and American standards, the classic methods of exploitation, such as piecework payment, are applied in such naked and crude forms as would not be permitted even by reformist trade unions in bourgeois countries. The consideration that in the Soviet Union the workers work “for themselves” is true only in historical perspective, and only on condition – we will anticipate ourselves to say – that the workers do not submit to the saddle of the autocratic bureaucracy.”(p82) Trotsky’s essential point is that state ownership of the means of production is not sufficient to ensure that the workers cannot be exploited in the process of economic activity. The obvious conclusion is that only the effective management and organisation by the workers of the process of production can ensure that the character of the relations of production is not based on the generation of the importance of aspects of exploitation and the extraction of a surplus from the producers by the party elite who effectively dominate the character of the economic system. This empirical observation would seem to deny that the character of the system could in any sense be connected to the influence of socialism and yet Trotsky in defiance of the importance of his analysis of the actuality of the exploitation of the workers in the relations of production is still willing to come to this type of apparently illogical conclusion. His actual elaboration of the manifestation of the relations of subordination in the process of production is at variance with his continued insistence that the system in the USSR represents a type of degenerated workers state. In actuality his description of the subordination and exploitation of the workers within the relations of production would seem to preclude the possibility that the Soviet Union under the domination of the bureaucracy could be any type of workers’ state. In other words, the economic analysis of Trotsky would seem to reject any suggestion that the USSR could be a type of workers state, even in a degenerated form. We still have to explain why Trotsky considers that this is the right type of definition of the social character of the Soviet Union.

Trotsky outlined how the dominant influence of the party within the state became the basis of a process of accommodation to this situation of hegemonic power and the expression of the realisation of the primary importance of the elite. The outcome of this development is that the character of the state has realised a ‘totalitarian-bureaucratic character’(p108) But if the state is elitist, repressive and based on the domination of the workers and peasants by the party elite in what sense can this mean that the character of society could still be defined as a type of workers state. The only logical reasoning of Trotsky is to suggest that the regime that has been created is based on the domination and subordination of the people in the interests of a new ruling elite. This would imply that it is not possible or feasible that there could be any vestiges of the continuation of the aspects of what had been a worker’s state which was created by the dynamics of the revolutionary process. Instead the domination of the party elite represents an unaccountable type of social power that is not in any manner limited by the role of Soviet democracy and instead what has occurred is an absolute form of dictatorship over the working class. In this political context it is not possible to define the character of society as a type of workers state. But instead of developing this logical conclusion, Trotsky instead in an ambiguous manner comments: “The justification for the existence of a Soviet state as the apparatus of compulsion lies in the fact that 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 out into the sphere of production. The triumph of socialism cannot be called either final or irrevocable.” (p111-112) But the character of society is not of a transitional character that is not resolved in terms of the establishment of systematic aspects. Instead the regime of the domination of the bureaucracy has been consolidated by the realisation of the collectivisation of the peasants and the establishment of the autocratic control of the enterprises by the party elite. In this manner the domination of the party must express a situation in which it has effectively become a ruling class that has consolidated its control over the process of production and has coercive control of the political situation. Indeed, Trotsky would not disagree with this understanding but he still tries to also suggest that the situation is fluid and transitional despite the recognition of the importance of the increasing domination by the party elite of the role of the economic and political structures. The view that this process of control by the party has been established in the process of distribution and not yet in production is not convincing because it could be argued that it is not possible to determine the character of consumption without in some manner also being able to realise domination of the system of production. Indeed, it is this effective control of the system of production which enables the party as a new ruling class to be able to define the role of consumption and to connect this aspect to the generation of a surplus from the producers. Therefore this point seems to be accepted by Trotsky when he comments that: “In reality the opposite thing has happened: the growth of the productive forces has been so far accompanied by an extreme development of all forms of inequality, privilege and advantage, and therewith of bureaucratism.”(p112) But how could these aspects be generated if there was not a situation of the domination of the relations of production by the bureaucratic elite that enabled it to exploit the producers, whether workers or peasants? Thus, Trotsky is outlined the various manifestations of a situation of exploitation and subordination of the producers within the relations of production but without accepting this development in theoretical terms. There is a contradiction between his empirical and theoretical analysis. The following comment by Trotsky would seem to suggest that the tensions described are apparent in his approach. He indicates: “The deposed and abused bureaucracy, from being a servant of society, has again become its lord. On this road it has attained such a degree of social and moral alienation from the popular masses, that it cannot permit any control over either its activities or income.”(p113) This comment would seem to imply that the character of society is an expression of a type of economic and political domination by an elite that means the result is the development of a situation in which the possibility to extract a surplus on the basis of the subordination of the workers and peasants is the logical result. Indeed, Trotsky accepts that the result of this situation is a struggle over the respective shares of the national income by the contending social forces of the bureaucracy and workers. He comments: “The inevitable struggle for a share of the national income necessarily becomes a political struggle. 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 industrial workers and collectivized peasants.”(p122-123) This view would seem to imply that the character of society cannot have any genuine connection to socialism because logically the workers would reject any suggestion that this society could be socialist given their subordination within the relations of production. Hence in an eclectic manner Trotsky would seem to imply that he is actually providing the arguments that would reject any view that the exploitative and repressive society in the USSR could have any connection with a worker’s state or the objective of socialism. Indeed, this very point is outlined in the following manner: “But in the closer-by preparatory epoch the actual establishment of a socialist society can and will be achieved, not by these humiliating measures of a backward capitalism to which the Soviet government is resorting, but by the methods of a more liberating 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 a blush of shame.”(p138) This comment would seem to emphatically indicate that Trotsky does not consider that there can be any expression of socialism in the character of Soviet society because of the importance of the exploitation of the workers and peasants in the process of production. Such a view would suggest that the only issue to be resolved is whether the USSR is a new type of exploitative social formation or is instead a type of capitalism. But the view that the Soviet Union is a form of workers state would seem to contradict the recognition of the importance of the exploitation and subordination of the workers within the process of production. This aspect would indicate that the character of the system is based on the role of a ruling class that has the am to extract a surplus from the producers on the basis of the expression of the importance of exploitation.

However, this conclusion is not made because it is assumed that in some vague manner the socialist character of the economy is in contradiction with the empirical actuality of the domination of the bureaucracy. Thus it is outlined by Trotsky the various forms of the exploitation of the peasants on the collective farms and yet it is also suggested that: “Thus in agriculture immeasurably more than in industry, the low level of production comes into continual conflict with the socialist and even co-operative (collective farm) forms of property. The bureaucracy, which in the last analysis grew out of this contradiction, deepens it in turn.” (p135) But Trotsky has described the exploitative subordination of the peasants to the party elite in relation to the situation in agriculture. The point is that any possibility to realise the socialist possibility of the situation of the cooperatives requires the overthrow of the bureaucracy. The actual character of the cooperatives under the domination of the party is a situation of exploitation and subordination. In this context the only manner in which any socialist possibilities could become feasible would require the overthrow of the system. But this perspective is similar to that which suggests that under capitalism there is an implicit development of an alternative type of cooperative production. In the present circumstances the possibility to realise socialism requires the transformation of the relations of production in terms of a situation of revolutionary change. This means that there is nothing progressive about the present social system. Instead it has to be replaced by a new type of economic and political system. Therefore, the perspective of change is similar to that which is outlined in terms of the necessity of the transformation of capitalism into socialism.

But the following comment would seem to represent the emphatic rejection of any suggestion that the Stalinist system has any relationship to socialism: “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 obviously does it testify against the socialist character of this state property.”(p237) This comment seems to indicate in explicit terms that the Stalinist system cannot have an relationship to socialism because of the importance of the privileged domination of the state and economy by the hegemonic role of the party elite. Instead the character of society must be based on the interests of this ruling group and as a result the expression of this situation can only be to the disadvantage of the workers and peasants. The state must be in an antagonistic relationship to the aspirations of the people. The only logical conclusion that can be made from this analysis is that the character of the society is based on the exploitation and domination of the workers and peasants by the role of the control of the state by the party elite. There is no aspect of democratic accountability of this type of society to the interests of the people. In this manner it cannot be suggested in convincing terms that in some sense there is a type of degenerated workers state which because of the role of nationalised property relations is in some limited manner in the interests of the working class. Therefore it is not surprising that Trotsky concludes that the methods of renumeration of labour are based on its effective exploitation within the process of production: “The differences in income are determined, in other words, not only by differences of individual productiveness, but also by a masked appropriation of the products of the labour of others.”(p240) Such a conclusion would seem to be an emphatic confirmation of the character of the relations of production being based on the exploitation of the workers because of the role of the domination of the party in the state and economy. The only conclusion that can be made from this understanding would seem to be what type of exploitative social formation is expressed by the importance of this situation. Such an understanding is apparently confirmed by Trotsky’s continual emphasis on the importance of the subordination and exploitation of the workers within the relations of production. He comments that: “The workers lost all influence on 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 the bureaucratic state.”(p241-242) This analysis of the exploitative subordination of the producers within the relations of production would indicate that the character of the social formation could not have any connection to the expression of the role of a type of workers state, however degenerated. Instead the only issue is that about which type of society is the basis of the domination and subordination of the workers within the economic process.

However, in a contradictory manner, Trotsky does not support this type of conclusion. Instead he maintains: “Two opposite tendencies are growing up out of the depth of the Soviet regime. To the extent that, in contrast to 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. This contrast between forms of property and norms of distribution cannot continue indefinitely. Either the bourgeois norms must in one form or another spread to the means of production, or the norm of distribution must be brought into correspondence with the socialist property system.”(p244) This conclusion is inconsistent because Trotsky has outlined in emphatic detail the importance of the situation of the exploitation of the workers in the relations of production of the role of the nationalised economy. In this context the unequal aspect of the mode of distribution only expresses the character of the economic activity. Therefore, it is an expression of an illusion to suggest that in some manner the character of the process of economic activity has some type of inherent socialist character. Instead there is a connection between the exploitative character of the nationalised economy and the fact that the form of distribution is unequal and is to the benefit of the ruling strata. The situation in which the workers are exploited within the nationalised economy is the basis of the possibility for the accumulation of economic wealth by the bureaucratic elite. This point is often accepted by Trotsky and is only contradicted by his elaboration of the formal definition of the social character of the USSR. The point being made is that if the workers lack any genuine and meaningful control within the process of economic activity then this means that the character of the mode of production cannot express some form of relation to socialism. Hence the possible potential for the nationalised economy to become socialist does not make it socialist because that point could be made about the possibilities of economic activity under capitalism. Instead the nationalised economy is based on the interests of the bureaucratic elite and is based on the exploitation of the workers and so because of that aspect it cannot be considered to be an expression of a type of degenerated workers’ state. The workers have no genuine economic power within this situation and instead the nationalised economy is primarily based on the realisation of the interests of the party elite. Hence the nationalised economy could only become an expression of the aims of the workers after the successful realisation of a process of social transformation and the creation of a genuinely popular type of socialist society. Therefore, it is an illusion to suggest that there is a contradictory relationship between the nationalised economy and the forms of distribution. Instead the aspect of distribution corresponds to the character of economic activity, and it is on the basis of the exploitation of the workers within the relations of production that generates the inequality at the level of distribution and consumption. In empirical terms this approach is accepted by Trotsky, but his definitions of social reality are different and contradictory when contrasted to his various observations about the character of society. The result of bis acceptance of a contradictory approach is to define the USSR as a type of degenerated workers state But this is to accept the unconvincing view that despite the workers lacking any effective economic and political power they still have the ability to influence the social character of the USSR. This understanding is connected to the unconvincing view that the only expression of the situation of inequality is the sphere of distribution and that in general terms the nationalised economy has a progressive character or represents the influence of socialism in an indirect manner. But this means implying that the bureaucracy has a type of progressive role because it is still prepared to defend the role of the nationalised economy. The various inconsistencies of this standpoint are inconsistent when compared to Trotsky’s contrasting understanding that the bureaucracy exploits the workers within the relations of production. Hence there is a difference between the empirical aspects of Trotsky’s approach and the definitions that he utilises in order to understand the USSR.

The result of the various inconsistencies of the approach of Trotsky are indicated in the following understanding of the social character of the USSR: “But the very fact of its appropriation of political power in a country where the 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 from 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 it still remains a weapon of proletarian dictatorship.”(p249) In other words Trotsky’s view is that because the bureaucratic elite has to still defend the continuation of the role of a nationalised economy means that the importance of the workers state, even in a degenerated form, has not been completely overthrown. The problem with this view is that it is the very role of the nationalised economy which represents the basis by which the bureaucracy exploits the workers in terms of the extraction of a surplus in relation to the process of productive activity. This means that the only valid basis to understand the character of the economic and political system is that it is based on the relations of subordination of the producers in the context of the possibility for the ruling elite to be able to ensure that this situation is to their material benefit and is to the detriment of the interests of the producers. This means that the understanding that the nationalised economy is still an expression of the continuation of the dictatorship of the proletariat is problematical because there is no realisation of the influence of the workers in economic or political terms. Instead they are in a situation of subordination to the bureaucratic elite in relation to the activity of the nationalised economy. Indeed, this is the expression of a situation in which the bureaucracy has a dominant and exploitative control of the nationalised economy. Therefore, in this context it cannot be suggested that this means the workers have any meaningful influence that would imply that there is a type of degenerated workers state in which in some sense the producers share economic influence together with the role of the bureaucracy. Instead the workers must act in accordance with the objectives and requirements established by the party elite in relation to the character of economic activity. This means that state property does not in any sense still express the influence of the workers within society and instead they subordinated to the economic imperatives of the party bureaucracy in relation to the character and functioning of the nationalised economy. The result of this situation must be that a surplus is extracted from the workers in the process of production, and so the power and privileges of the bureaucracy is not limited to the role of distribution. Instead the bureaucracy has privileged access to the proceeds of distribution because of its domination of the development of production. The extraction of a surplus from the labour of the workers is the basis of the privileged access to distribution by the bureaucracy. In this context it would not be possible to consider that Trotsky’s definition of the character of the Soviet system as being a degenerated workers state is tenable. Indeed, his own views contradict the validity of this definition. Instead he has provided the very reasons why it would be more explanatory to consider the Soviet Union to have been a new type of exploitative social formation, which is based on the economic and political domination of a ruling class.

In other words, the point being made is that Trotsky has outlined important reasons why the workers have no economic and political power within the Stalinist system of the USSR. Therefore, it is questionable that such a situation could be defined as being the expression of a degenerated workers state. It is suggested by Trotsky that the nationalised economy is in some sense a manifestation of the significance of the influence of the workers that would justify this definition of the USSR. But such an explanation seems to ignore the significance of the subordination of the workers within the relations of production, and indeed in a contradictory manner Trotsky often accepts the situation of the exploitative domination of the workers in the relations of production in many comments. In an eclectic manner Trotsky equates the character of nationalised property with the role of a degenerated workers state, but this formal definition is problematical because he accepts the empirical importance of the effective exploitation of the workers as the content of this type of economy. The point is that it is the nationalised economy which is the basis of the systematic exploitation and domination of the workers within the relations of production. The fact that Trotsky has accepted the validity of this point means that his equation of the character of the nationalised economy with the importance of a degenerated workers state is a questionable understanding that effectively undermines the importance of the empirical analysis he has made of the Soviet economy.

Furthermore, his view that the bureaucracy has to defend the continuation of a nationalised economy is also a reason why the USSR remains a type of workers state is problematical because there is no progressive basis for this situation. Instead the bureaucracy defends nationalised property because this is the manner in which it is able to systematically extract a surplus from the producers. The importance of this aspect means that the only outstanding question is to decide whether this situation represents a new form of capitalism or instead a type of bureaucratic class is dominant within the social formation. Trotsky makes no attempt to outline the influence of the working class which would suggest that the conception of a degenerated working class has credibility. Hence the actuality of the nationalised economy is not because of the ability of the workers to be able to define the class character of the system, but is instead the outcome of the historical processes that have led the situation of the supremacy of the party elite to become an expression of the formation of a new type of exploitative society. The formal definition of the degenerated workers state does nothing to undermine the validity of this conclusion. Thus, Trotsky’s view that the bureaucracy defends the role of the nationalised economy is a problematical justification of the perspective that a new exploitative regime has not been created. It is obvious from the very views of Trotsky that this situation is the manner in which the bureaucracy is able to compel the workers to create a surplus, even if this has many inefficient manifestations. The very fact that Trotsky admits that the nationalised economy is the basis of the power and income of the bureaucracy is an obvious justification that this is the manner in which a new type of exploitative regime is being created and developed. In other words, the power and income of the bureaucracy can only be obtained by the exploitation of the producers within the relations of production. The nationalised economy is the structural form that enables this aspect to be realised. This means that Trotsky cannot outline in any convincing manner how the social formation of the USSR can in any manner be of benefit to the people. Instead all that he is able to outline in convincing terms is the subordination of the workers to the imperatives of the bureaucracy that are established within the relations of production.

Trotsky also outlines the justification of his view by suggesting that the property relations established by the October revolution have been continued by the state of the bureaucracy. But the point is that any aspect of formal similarity has been ended because of the process of the Stalinist degeneration of the regime. The situation of the creation of a revolutionary regime with the genuine support of the workers has been ended, and instead the stability of the government is ensured by the domination of the state over the economy in terms of the extraction of a surplus from the producers. The party of Lenin, and its accountability to the Soviets, has been replaced by the formation of an absolute and autocratic power that is able to function in terms of the role of coercion and the subordination of the producers in the economy. There is no connection between the initial revolutionary regime and the role of Stalinist administration. This process of regression means that the character of the government must have changed in a regressive manner. Hence Trotsky is wrong to contend that: “In contrast to this, the property relations which issued from the socialist revolution are indivisibly bound up with the new state as their repository.”(p250) Such a perspective ignores the fact that it has been the degermation of the revolution which has resulted in the transformation of the character of the property relations, even if formally they still seem to express the importance of the nationalised economy. The point is that the character of the nationalised economy has changed. All aspects of participatory democracy of the producers has been ended and instead the character of the formal role of the nationalised economy has been transformed in a regressive manner in terms of its character and functioning. The economy has become completely subordinated to the imperatives of the party elite, and all aspects of democracy has been ended. In this manner it is an expression of false optimism for Trotsky to claim that in a sense the property relations established by the revolution have not been transformed in a regressive manner. What is being argued is that the bureaucracy has been able to establish its domination over the process of an extraction of a surplus from the producers in an inefficient manner, and Trotsky often accepts this situation in empirical terms. However, he also implies that these developments have not resulted in the realisation of a new type of exploitative society because of the importance of the role of the nationalised economy, which is considered to be an important gain which has resulted from the revolutionary upheaval of 1917. But the point is that this situation is no longer characterised by the importance of the factory committees or the trade unions as the basis of the expression of the functioning of the economy. Instead the party elite dictate to the workers what should be their objectives in the process of production. This means that whilst the nationalised economy is the important formal aspect of the character of the relations of production the are actually based on the significance of the domination of the party elite over the workers in the economic relations. In this context the importance of the aspect of nationalisation is that it cannot only express the form of a content that is based on the attempt of the party elite to extract a surplus from the working class. The various empirical comments of Trotsky on this issue do not contradict this type of understanding of the character of the economic and political role of Stalinism.

But Trotsky tries to deny the possible conclusions from his own analysis by suggesting that the property relations established by the October revolution have not been transformed into a new form and content: “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 on the character of state power.”(p250) But this view is not convincing because the role of the state under the domination of the bureaucracy is to ensure that the workers and peasants have a subordinated role in the process of economic activity. This aspect may not be expressed in an efficient form of economic exploitation and subordination, but it is still expressed in terms of the objectives of the bureaucracy to ensure domination over the producers in the relations of production. In this manner a surplus is extracted from the workers and peasants, even if this development is not comparable to the greater superiority of capitalism in relation to the possibility to create relations of domination as the basis of economic activity. The point is that the workers have no possibility to overcome their situation of subordination within the relations of production if they do not act to try and overthrow the present system.

Trotsky implies that the present system is progressive in so far as it defends the nationalised economy as opposed to the possible alternative of capitalism. He comments: “A collapse of the Soviet regime wold 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 would then 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 form of property – one for example, which the workers should participate in the profits. The collective farms would disintegrate at the same time, and far more easily. The fall of the present bureaucratic dictatorship, if it was 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 present economic and political system is being presented as superior and an effectively progressive alternative to the reactionary possibility of the restoration of capitalism. But the point is that such a development was not likely to occur in the 1930’s because of the very fact that the bureaucracy benefitted from the exploitation of the workers within the present system which could ideologically be defined as the expression of socialism, or the continuity of the revolution which resulted in the legitimacy of the present regime. But the point is that this ideology was false because there was no effective relationship of the Stalinist party to the situation in October 1917. The party was no longer committed to the promotion of the interests of the workers and instead was concerned to ensure their subordination in economic and political terms. In this context capitalism was opposed only because it could result in the end of the domination of the party over society. Therefore, the party upheld the nationalised economy not because this was the type of economy established by the October revolution, but instead because this was the most effective manner in which the party could ensure its domination over society. Capitalism was opposed only because its restoration could mean the possible end of the primary role of the party within society. Therefore there was nothing progressive about the defence of the nationalised economy by the party, and instead this aspect was essentially about the perpetuation of a new economic system in which the role of the producers was subordinated to the imperatives established by the party elite, and in this manner a surplus was extracted from the workers, eve if this process was not as efficient as that which occurred under capitalism.

Indeed, Trotsky accepts that the present situation could be temporary. He also maintains that: “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 whatsoever 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 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 it is not enough. You have to overthrow it. The October revolution has been overthrown by the ruling stratum, but not yet overthrown. It has a great power of resistance, coinciding with the established property relations, with the living forces of the proletariat, the consciousness of its best elements, the impasse of world capitalism and the inevitability of world revolution.”(p251-252) But this standpoint tries to gloss over the importance of the actual actions of the bureaucratic elite and instead suggest that the possibility of world revolution will resolve the situation in a progressive manner. However the problem is that the bureaucracy was more resilient than the assumptions of the prediction of its imminent demise and instead was able to act in order to maintain its power and privileges and to even extend the influence of the Stalinist bureaucracy because of victory over fascism in world war two. This very development was an indication of the aspect of stability of the system and that the bureaucracy was able to create a coherent system in which it was able to maintain an ability to perpetuate domination over the working class. Hence Trotsky’s assumption that the Stalinist system was inherently instable was only proved to be true in the different conditions of the 1980’s. But in the 1930’s the prediction of its demise was to prove to be false, and the assumption that the workers had the power and consciousness to overthrow the rule of the elite was a perspective that proved to be problematical. Instead the Stalinist social formation had a short-term stability and was strengthened by its expansion in the aftermath of world war two. This indicated that the Stalinist social formation had more durability than excepted by Trotsky, and this development must have been connected to a limited level of mass support. The Stalinist ruling group was able to utilise its social power in order to maintain the system, and this aspect was strengthened by the development of domination of Eastern Europe. Hence the prediction that the possibility of the imminent demise of the system because of its important contradictions proved to be essentially false. Instead we have to suggest that the bureaucracy was able to perpetuate its domination over society because this situation expressed a level of stability that Trotsky was not willing to anticipate. Instead he could only define the Stalinist social formation as being transitory and which would be replaced by either genuine socialism or the restoration of capitalism. This essential perspective of possible developments underestimated the importance of the role of the domination of society by the Stalinist elite. The important result of this situation was that the workers were demoralised and atomised because of the influence of the character of economic subordination and the role of the coercive character of the state. Hence the possibility of the realisation of the success of and revolutionary alternative was not possible in the short-term, and this aspect facilitated the development of the stability of the system. Therefore, the major problem was that of invasion by the forces of fascism. This situation meant that Trotsky’s view that the working class was inherently powerful and capable of defending the apparently progressive aspects of the role of the nationalised economy was problematical. Instead the workers lacked any effective possibility of collective action because of the importance of the repressive character of society and the lack of any expression of political power within what was an atomised society. The only manner by which the workers could uphold their interests was by individual manifestations of discontent. There was no possibility of collective protest. In other words, society could be genuinely defined as being totalitarian, or based on the absolute power of the state which was able to ensure a form of discontented conformity of the people.

In other words, the problem with the approach of Trotsky is that he considers that the regime of Stalinism is inherently unstable, and that the possibility of revolutionary change is possible in the short-term. This assumption Is not able to recognise the problems involved with the fact that the workers have become atomised and not able to defend their interests in collective terms, and which would then create the possibility of making progress towards revolutionary change. The situation is also complicated by the international situation and the threat of fascism, and this means that national unity seems to be the only possible option for the workers despite their discontent with the system. Furthermore, Trotsky underestimates the ideological hegemony of the system which has been able to obtain at least passive acceptance of the view that socialism is being constructed in the USSR. In this context the conception of socialism is connected to the acceptance of the mythology that the Stalinist party is still a type of revolutionary party that is able to promote the realisation of a socialist type of society. In this context the people are disorientated because they do not want a restoration of capitalism because of its connections to the old Tsarist regime, and yet they also have grievances with the present regime. In this context the purge trails become important because Stalin can blame the limitations of society on the role of the traitors to the party like Zinoviev and Bukharin. The point being made is that the ideological hegemony of the ruling elite was not questioned because the problems of society could be considered to be the result of the role of discontented groups and so the limitations of the party leadership were not questioned in this context. This meant that people were inclined to blame dissidents for the problems of society and the leadership of Stalin was not questioned. Hence Trotsky’s view that the party did not have ideological hegemony over society and that the situation was maturing for revolutionary change was optimistic and did not essentially understand the actual situation. Instead despite the important economic and social problems the party leadership was still able to uphold a type of ideology that was not questioned in any popular manner. This situation also meant that there was a type of stability to the social formation. The possibility of revolutionary change was not likely to happen in this situation. Therefore, Trotsky’s prediction of a possible short-term process of revolutionary change was not based on an understanding of the political situation that was convincing. Instead the major possibility of change was that posed by the counter-revolutionary potential for fascist invasion. Indeed this prospect meant that the issue of defence of the USSR was not about defence of the nationalised economy, which was actually about the justification of the exploitation of the workers, and instead concerned the necessity to oppose the repressive type of society that was associated with the role and character of fascism.

The assumption being made by Trotsky was that the likely short-term nature of the role of the domination of the Soviet bureaucracy justified the conception of the degenerated workers state because this could only be of a brief duration that would result either in the revolutionary overthrow of the regime by the workers or the restoration of capitalism. With regards to the first possibility this would mean: “But so far as concerns property relations, the new power would not have to resort to revolutionary measures. It would retain and further develop the experience of the planned economy. After the political revolution – that is the deposing of the bureaucracy – the proletariat would have to introduce in the economy a series of important reforms, but not another social revolution.”(p252-253) This perspective would seem to be an underestimation of the radical changes that would be required in order to end the domination of the bureaucracy. In order to establish a planned economy based on the importance of the genuine participatory democracy of the producers it would be necessary to overcome the domination of the bureaucracy by an effective transformation of the character of the relations of production. This would not mean that the nationalised economy would merely undergo important reforms but instead that a process of radical change would be necessary in order to replace the domination of the bureaucracy within the economy with the role of the organisation of production by the workers. In this manner the nationalised economy is not subject to change by reform but instead a revolution has taken place in the character of the manner in which it is organised and a transformation of the objectives of the priorities of what has become an entirely new type of planning. A form of planning that is based on the aspirations of the producers instead of expressing the dictates of the bureaucratic class. Trotsky argues that the long term victory of the bureaucracy would meant that it is able to become a new exploitative class, but in actuality this is what has occurred with the defeat of the workers and peasants caused by the consolidation of Stalinism at the end of the 1920’s. However, Trotsky does not want to consider this possibility of the realisation of the domination of a new class because he considers that the situation is in flux and that the issue of the victory of counterrevolution has not been decided. The lack of economic and political stability means that the bureaucracy has not yet been able to become a new ruling class. But in actuality this understanding is cautious and not based on the actuality of the realisation of the domination of the bureaucracy within Soviet society. In this context the relationship of the nationalised economy is not in some sense the continuation of the gains of the October revolution and has instead become an expression of the role of a new type of ruling class that is able to extract a surplus from the workers and peasants in order to maintain an economic system that ensures the domination of the party elite over society.

Instead of this understanding Trotsky defines the character of the USSR in the following manner: “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 primitive accumulation caused 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 whilst slowly bettering the situation of the toilers, promotes a swift formation of the privileged strata; (e) exploiting the social antagonisms, a bureaucracy has converted itself into an uncontrolled caste alien to socialism; (f) the social revolution, betrayed by the ruling party, still exists in the 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 will be decided by a struggle of living social forces, both on the national and the world arena.” (p255)

The major aspect of this perspective is the view that the character of the USSR has not yet been consolidated and established. This is an illusory view that ignores the actual consolidation of the domination of the bureaucracy and the establishment of relations of production based on this situation. Therefore, the view that the character of the USSR is between capitalism and socialism is an indecisive view that tries to deny the actual importance of the domination of the social relations of production by the bureaucracy. It also underestimates the significance of the effective atomisation of the people in order to consolidate the possibility for society t be dominated by the party elite. The people have no political rights because of the authoritarian character of the regime. In this context the conception of a society that is transitional between capitalism and socialism does not have explanatory significance because the actual situation is that which is defined by the domination of the economic and political aspects of society by the rule of the party elite. In this context the working class can have no influence or possibility to express some aspect of social power because of the authoritarian character of the regime. Instead the elite has the possibility to be able to extract a surplus from the producers in order to create wealth and the material basis for the domination of the elite. In an important sense Trotsky does not deny the importance of these aspects, and yet in an inconsistent manner he still contends that the character of society is defined as being transitional between capitalism and socialism. Thus, his theoretical definition of the social regime is not upheld by his empirical acceptance that there are manifestations of the exploitation of the producers by the elite. The point being made is that if the character of society was genuinely transitional between capitalism and socialism this would mean that the working class have an influence in relation to the character of economic and political policy. But this is not the situation, instead the people are dominated by the importance of the role of being subordinated within the relations of production and are atomised because of the repressive character of the political regime. In these circumstances they cannot have any influence that would mean that society truly was transitional between capitalism and socialism. An authentic degenerated workers state would mean that the workers had some capacity to influence the character of social policy, but this is not the situation. Instead they are atomised and lack collective and cooperative power and influence in the context of the ability of the ruling elite to dominate the character of the economy, and which also means the connected omnipotent power in political terms. Hence the system is not primarily defined by the domination of the process of distribution by the bureaucracy. Instead its ability to control distribution is because of the connected significance of the ruling elite being able to control the character of the economy, and in that manner being able to extract a surplus from the producers. Only in this manner does the bureaucracy because of its privileged domination of production is it able to define the manner of distribution in its favour, or to obtain unequal proceeds which have been created by the labour of the producers. So, when Trotsky suggests that the bureaucracy is a privileged stratum which is opposed to socialism, this is true but the reasons for this situation is because of its domination of the process of both production and distribution. In this context it is able to extract a surplus from the producers which enables it to consolidate its domination of society. Therefore when Trotsky concludes that the traditions of the revolution are continued in the property relations and in the consciousness of the people, this view ignores the fact that the property relations have become the basis of the exploitation of the producers, and so cannot in any manner express the characteristics of the initial revolutionary aims of the workers and Bolsheviks. Only in the consciousness of the workers is there any understanding of the possibility for the realisation of a genuine type of socialism which would be democratic and based on the effective control of the relations of production by the producers. Trotsky suggests that a continuation of regression could result in capitalism, but this ignores the fact that the bureaucracy benefits from the present system of the subordination of the producers within the relations of production. The restoration of capitalism would undermine the importance of the formal ideology of the regime which is to suggest that a socialist society is being created. This ideology is an illusion, but it is still promoted in order to justify the domination of the social formation by a bureaucratic elite that has originated from a revolutionary party which had socialist aspirations. Hence the ideology may be a deception of the people but it is still useful in order to justify the role of the party elite as being the expression of the interests of the creation of socialism. Trotsky is right to suggest that the workers would have to overthrow the bureaucracy in order to realise socialism. In that manner the conception of the transitional character of the Soviet Union is not opposed to a revolutionary perspective. He rejects any suggestion that the USSR can be reformed, but what is problematical is his analysis of the character of the Soviet Union which seems to underestimate the stabilisation of the regime in terms of the consolidation of the regime. However, his approach has outlined important reasons why the conception of the degenerated workers state is actually untenable. For example, he outlines the importance of the exploitative role of piecework and the domination of the producers by this expression of the methods of capital accumulation. This analysis would seem to suggest that the conception of the degenerated workers state is untenable. He also outlines the importance of the Soviet Constitution which provides ideological legitimacy for the rule of the party elite and tries to justify the effective denial of any democratic rights for the people. But this understanding is not connected to the recognition that such a situation can only mean the justification of the domination of an omnipotent party which uses its supreme political power in order to uphold the situation of the subordination of the people within the relations of production. The necessary connections are not made by Trotsky, who still tries to argue in a vague manner that the character of the nationalised economy must have some potential for the realisation of socialism. But the point is that this type of argument could be made about capitalism, such an economy expresses the possibility for socialism, but this does not deny its present capitalist character. The same point could be made about the bureaucratic economy, it has the potential for socialism, but in its present form it upholds the domination of the party elite over the people in exploitative terms. Instead in an untenable manner Trotsky tries to differentiate between a progressive nationalised economy from its actual functions which were to enable the elite to extract a surplus from the producers.

In political terms, Trotsky describes the character of the Soviet society as a type of Bonapartism which is based on the absolute power of Stalin. This point has validity, but what is the basis of this situation? It is that the character of the social formation of connected to the subordination of the role of the producers in relation to economic activity. This subordination of the producers despite the formal adherence of a socialist ideology can only be justified by the elitist importance of the role of the leader who supposedly personifies the virtues of the domination of the party over society. But Trotsky contends that Bonapartism is the only type of political system that is possible in relation to the contradictions of the degenerated workers state. But in actuality this situation is the manner in which the distortions of socialist ideology can be justified in order to in practice uphold the rule of the party elite over society. Bonapartism has to become the political system that defines the system in which the party dominates the social relations. But Trotsky is also wrong to suggest that this Bonapartism can only be transitional to the restoration of capitalism. In the long-term this point has validity in relation to the demise of the USSR in 1991, but in the short term the important of Bonapartism is that it provides the political stability required to maintain the economic system of the rule of the party elite. Indeed, this is the manner in which a distorted type of socialist ideology can be promoted by the regime. Nevertheless, Trotsky is right to suggest that in the long-term: “The longer the Soviet Union remains in a capitalist environment, the deeper runs the degeneration of the social fabric. A prolonged isolation would end not in national communism, but in a restoration of capitalism.” (p300-301) Obviously the expansion of the USSR in the post-war period delayed the realisation of this perspective, but did not deny its ultimate validity. The point is that the bureaucratic system of the USSR was ultimately inferior when compared to the greater efficiency of the major capitalist countries. However, this short-term character did not mean that the USSR was a transitional society between capitalism and socialism but instead that its system of the bureaucratic exploitation of the producers was ultimately inferior when compared to the greater superiority of capitalism.

In ‘Defence of Marxism’ (Pathfinder Press, New York 1973) Trotsky considers issues like the class character of the USSR in relation to the Nazi-Soviet pact. He is right to suggest that the signing of this treaty is not the necessary theoretical and empirical basis to reject the conception of the social character of the USSR and support a new designation. But the point to ask is would the USSR as a degenerated workers state have signed this type of opportunist treaty that accommodates to the aims of a fascist state? If the workers of the USSR had been consulted, they would presumably have rejected the prospect of this type of opportunist treaty. What is being suggested is that this treaty was signed because the USSR had become a reactionary social formation that expressed its foreign policy objectives in a manner that had no relationship to internationalism and socialism. What is being argued is that the Stalinist elite was willing to accommodate the foreign policy objectives of a fascist state because in actuality its social system had similarities with this type of society. This situation meant that whilst Trotsky is right to suggest that the Nazi-Soviet pact does not alter anything in relation to the characterisation of the USSR, this development also does not indicate that the USSR was a type of degenerated workers state. Instead this treaty became possible because of the reactionary character of the regime in the USSR which was based on the exploitation of the workers and peasants. In this context Stalin gained from the division of Poland because that situation resulted in the ability to increase the economic wealth of the ruling elite. Trotsky suggest that the possibility of the overthrow of the bureaucracy would not result in the end of the nationalised economy, and instead it would be transformed in terms of the realisation of the supremacy of the producers. This point may be formally valid, but the point is that the relations of production would be changed because the character of the nationalised economy would be completely transformed. Instead of the domination of the bureaucracy the workers would establish democratic relations of production, and so in terms of purpose and content the role of nationalisation would acquire a different type of expression. Trotsky’s arguments are dependent on indicating the inconsistencies of the approach of the opposition in the American Socialist Workers party. But these apparent limitations do not indicate the superiority of his standpoint. Instead it is necessary to relate the character of the USSR to consistent reasons based on its political economy rather than the circumstances of the Nazi-Soviet pact. But the point is that this treaty became possible because the role of the degenerated workers state in the USSR had become replaced by the domination of a new ruling class. This aspect was the content that explains the form. The treaty occurred because there was no effective political influence of the working class in the USSR because of the vey consolidation of the domination of a new ruling class. In this context the working class had no political influence or possibility to express the view that the Nazi-Soviet pact should be rejected. Instead it was because of the actual subordination of the workers within the character of the relations of production which enabled the possibility for an accommodation of the Soviet regime with the forces of fascism to be realised. In contrast, Trotsky argues that a government of a degenerated workers state can realise the most reactionary type of foreign policy because of its rejection of any expression of adherence to internationalism. But the point is that the Nazi-Soviet pact was in the interests of the ruling class of the USSR because it was able to dominate Eastern Poland in this situation and to delay its involvement in the second world war. In contrast, Trotsky is suggesting that a degenerated workers state is capable of the most reactionary forms of opportunism in terms of foreign policy and this development would not alter its character. However, this standpoint does not address the issue as to whether a degenerated workers state would consider that it was to its advantage to accommodate to the foreign policy objectives of a fascist regime. The criticism being made is not to suggest that the degenerated workers state would be motivated by moral imperatives, but instead that in such a situation the working class would still have some form of effective political influence that could ensure that accommodation to the foreign policy objectives of a fascist state could be rejected.

The point being made is that the very development of the domination of society by a new ruling class has generated the motivation to aspire to the attainment of an agreement with a fascist imperialist power in order to consolidate the subordination of the working class of the Soviet Union because this very agreement enables the ruling elite to be able to facilitate the situation of control within what has become a nation state with expansionist ambitions which are expressed by the obtaining of the territory of Eastern Poland. But instead of considering this point, Trotsky is content to repeat his view that the USSR is a type of degenerated workers state because of the importance of a nationalised economy in which the role of the bureaucracy is in contradiction to the requirement of its development. In a certain sense this view is correct, but this is because the bureaucracy is a dominant class that is able to extract a surplus from the producers and so constitutes itself a ruling class. In this manner it undermines the realisation of the possible dynamism of the nationalised economy and instead expresses the reactionary character of the role of the domination of society by the bureaucracy which has become a new ruling class capable of extracting a surplus from the working class. However, Trotsky tries to evade supporting this view and instead projects its possible development in terms of a reactionary conclusion to the world war: “If however it is conceded that the present war will provoke not revolution but a decline of the proletariat, then there will remain another alternative: the further decay of monopoly capitalism, its further fusion with the state and the replacement of democracy wherever it still remained with 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) Furthermore: “An analogous result might occur in the event that the proletariat of the 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 relapse 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) But this is a dogmatic perspective that ignores the possible complexity of developments. The point is that the outcome of world war two was to generate the potential conditions for the realisation of international proletarian revolution, but these were defeated precisely because the Stalinist bureaucracy was a new reactionary ruling class that was opposed to the possible success of this process of revolutionary change. Hence the situation indicated the continued revolutionary potential of the workers but also the importance of the role of bureaucratic social formation of the USSR. It was the very fact that the Soviet Union was a type of society based on the domination of a new ruling class that led it to oppose the revolutionary discontent of the workers of Europe and to instead impose its reactionary domination of Eastern Europe. In this context the revolutionary role of the working class was confirmed by events, but also the importance of the reactionary character of the Soviet social formation was indicated by the effective suppression of the mass actions of the international working class. This meant the process of international proletarian revolution was defeated by the counterrevolutionary role of the Stalinist bureaucracy. In this context the international revolutionary potential of the working class was still confirmed but this very possibility of social change because of mass actions was defeated by the repressive actions of the Soviet bureaucracy. Therefore, Trotsky’s perspective of a questioning of the revolutionary potential of the workers if they are defeated by Stalinism was shown to be a pessimistic approach that did not adequately explain the complexity of the events of the post-war period. Ultimately the capitalist system was stabilised as a result of the reactionary actions of Stalinism. Whilst the international working class still remained powerful and capable of challenging both the domination of capitalism and Stalinism. In this context Trotsky’s perspective of a new minimum programme for the slaves of a bureaucratic social formation was shown to be pessimistic and not related to the actual character of political events. Instead the international working class remained the major possible expression of the possibility of revolutionary change in the post-war period. Trotsky suggests that the defeat of the international working class in relation to the aftermath of the second world war would pose the possibility of the victory of a totalitarian bureaucracy. But the actual result was the consolidation of capitalism combined with the strengthening of the Stalinist regime. However, Trotsky was also right to support the defence of the USSR but not because of the importance of the defence of the nationalised economy but instead because a defeat for the Red army would mean the imposition of the repression of the reactionary policies of a fascist power. However, this task of the defence of the USSR should be connected to the development of a process of self-liberation of the people which would then have created the possibility to undermine the continued domination of Stalinism. In a limited manner this is what actually occurred, although the forces of the partisans did not become influential. However, there was the possibility of the advance of the realisation of a process of genuine national liberation. It is also important to emphasise that defence of the USSR would not mean uncritical support of all of the actions of the Red army. For example, it would be necessary to support the withdrawal of the Red army from Eastern Europe after the defeat of fascism. But the approach of Max Shachtman, who because of an understanding of the bureaucratic collectivist character of the USSR refused to support any possibility of defence of the Soviet regime in war was dogmatic. He was right to oppose the Soviet invasion of Finland, but wrong to extend this position to the events of the second world war. The point is that the USSR should be supported in the war with fascist Germany because the central issue was that of upholding some form of national independence against the potential for the establishment of a fascist regime in the Soviet Union. Hence a correct understanding of the class character of the USSR became the pretext to support a rigid view concerning its role in the second world war. In contrast Trotsky was right to contend that there would be nothing progressive about a successful war by fascism against the USSR, and this was the major reason to defend the Soviet Union in that situation. But such an approach would not mean any political support being given to the Soviet bureaucracy and instead it would be necessary to promote the development of a genuine struggle for national and social emancipation. In this context Trotsky was right to defend the USSR, but wrong to also imply that this was because it was a degenerated workers state. Instead the central issue became the development of opposition to the fascist imperialist attempt to achieve the subordination of the USSR and in that manner impose a form of the slavery of the people. In this context the defeat of the objectives of reactionary fascism would contribute to the possibility to generate the development of world socialist revolution. The victory of the Red army would unintentionally result in the progress of the international class struggle, and this could have actually become the most effective manner in which the domination of Stalinism could become challenged. Hence there were limitations of rigidity and dogmatism in the approach of both Trotsky and his critics. The problem was that both groupings supported dogmatic views that were not able to explain the empirical complexity of the situation. The result was a split between tow factions that had important limitations in their positions. What was problematical was the issue of dogmatic rigidity which meant that the complex character of the issues of the second world war was not properly understood. The result was a serious split and the Fourth International no longer had the support of one of the most outstanding Marxists of the movement. The result was that leadership of the Fourth International was ultimately bestowed on people who promoted the problematical view that deformed workers states had been created in post-war eastern Europe. This analysis led to the view that Stalinism was inherently progressive and should be critically defended against the forces of imperialism in the post-war period. The result of this standpoint led to a protracted political crisis in the forces of the Fourth International.

Sean Matgamna has outlined similar criticisms of Trotsky’s conception of the Stalinist character of the USSR in’ Fate of the Revolution’ (Phoenix Press, London 1998) But the major problem with this critique is that it is an expression of indicating various inconsistencies in the approach of Trotsky rather than outlining the character of the social formation that was based on the domination of Stalinism. This task he is content to leave to other people. However, we can suggest in a more emphatic manner than that provided by Matgamna that the very approach of Trotsky always indicates the essential conception of a new bureaucratic social formation despite defining the USSR as a degenerated workers state. We have tried to indicate that standpoint of Trotsky has to establish that the character of the social formation of the USSR is based on the exploitation of the producers by the effective role of a new ruling class that extracts a surplus from the producers. In contrast, Matgamna depicts Trotsky as a dogmatist that is unable to conceive of a situation except that which is expressed by the primary importance of the nationalised economy and its connection to the degenerated workers’ state. Hence Matgamna contends that: “One “factor” the nationalisation of the means of production is valued for its “achievements”, its progressive potential and is ascribed place in history, in abstraction from all that in Marxist, socialist or Bolshevik theory had so far been understood to determine the class character of a state – the political regime and the social relations erected on the nationalised means of production.”(p69) This comment is not inaccurate but it is inadequate because Trotsky also implicitly indicates the importance of the exploitation of the workers within the very context of the role of the nationalised means of production. This means that there is a tension between his empirical recognition of the importance of aspects of exploitation of the producers, which is connected to the role of methods like piecework and the contrasting emphasis on the potentially progressive character of the nationalised economy. Hence the definitions of the social character of the USSR are often in contradiction with the elaboration of empirical manifestations of the situation which would seem to indicate the importance of a situation of the extraction of a surplus from the producers by what is a dominant ruling class. In this context the theoretical role of the definitions utilised to understand the social and economic character of the USSR become the basis to gloss over the actual observation of aspects of exploitation and subordination within the relations of production. But whilst not being unaware of this point the emphasis of Matgamna is on the characterisation by Trotsky of the ambiguous manner in which he defines the continued importance of the dictatorship of the proletariat despite the workers having no effective political power: “But – so Trotsky now argues – having once taken power, the working class can lose direct political power, and yet retain social power. If the “social conquests” of the revolution survive, then the working class rules in the broad historical sense, even when the living and producing working class is in thraldom to a dictatorship of parasitic, privileged and slave driving bureaucrats.”(p69-70) This criticism has validity but it also has to be suggested that Trotsky’s approach is contradictory and also implicitly suggests a different approach based on the expression of the importance of the economic and political domination of the bureaucracy over the working class. In this context the approach of Trotsky is inconsistent and not tenable. Hence the problem with the analysis of Matgamna is that he does not sufficiently emphasise the importance of the contradictions in Trotsky’s approach and instead outlines his conception of the degenerated workers state without outlining in effective terms the very empirical aspects in this approach which seem to undermine the integrity of the definitions of the degenerated workers state that have been elaborated. This is not to suggest that Matgamna’s critique is not invalid, but instead to contend that it is one-sided and doesn’t sufficiently indicate that the conception of the degenerated workers state has to also implicitly justify a different understanding of the Soviet social formation. The very importance of the empirical aspects of the role of exploitation and other manifestations of the subordination of the producers within society has to essentially indicate that the very conception of the degenerated workers state is problematical. This point has not been sufficiently recognised in the analysis of Matgamna.