UNDERSTANDING STALINISM – PART ONE

INTRODUCTION

The attempt to understand Stalinism must involve understanding that it represented a period of immense social upheaval and utilisation of repression in order to realise the rule of a new social elite. This development led to the establishment of a personal dictatorship in order to ensure that the instructions of Stalin were carried out, and this meant the implementation of terror in the mid 1930's. It is also important to recognise that Trotsky's analysis of the Soviet Union as a degenerated workers state was based on limited information, and so he underestimated the terrible character of events like collectivisation, and did not seem to acknowledge the importance of the concentration camps for imposing political conformity. In other words the nationalised economy was based on the combination of political repression together with modernisation in order to exploit the working class. The defence sector was an immense part of the economy and meant that accumulation took place at the expense of meagre consumption of the population. Hence it would seem that the most appropriate theories of the USSR were either that it was state capitalist or bureaucratic collectivist. However, the central flaw in these theories was that they did not allow for the importance of ideology. The Communist Party of the Soviet Union in the period of Stalin's domination still adhered to the view that the USSR was building socialism and that the USSR was the base of world revolution. This standpoint was called into question by the opportunist approach of the Communist Party of the Soviet Union concerning the international class struggle in the late 1920' and 1930's, but it could be argued that the USSR was still the bastion of opposition to fascism. However, even this claim was called into question by the signing of the Nazi-Soviet pact. This meant the USSR was more concerned with its territorial claims rather than political principles. But these issues became unimportant with the Nazi invasion of the USSR.

The orthodox Trotskyists connected the question of the defence of the USSR with the view that it was a degenerated workers state. Hence they conceived the effective post-war expansion of the USSR with the formation of deformed workers states. It was accepted that a type of workers state could be established by counter-revolutionary means. This standpoint also led to the Fourth International to support of the USSR in the cold war. Consequently, individuals like Mandel effectively considered the USSR to be a distorted form of socialism. This was the opportunist conclusion of rigid adherence to the conception of the degenerated workers state. The result of this standpoint was that the Fourth International began to consider regimes like Yugoslavia, China and Cuba as effectively not Stalinist. The historical limitations of these societies were ignored, and the social antagonisms within the USSR were glossed over. Given this flawed understanding of the USSR and Stalinism, Workers Power had the task of trying to uphold the degenerated workers state theory without making concessions to opportunism in theory and practice. They had to deny that Stalinism was some form of progressive historical formation, and instead outline reasons why it was historically limited and unable to represent an alternative to the economic and political power of world capitalism. This meant rejecting the temptation to define the USSR as some form of socialism, and instead outline an alternative that considers its reactionary character. What will be interesting to consider is whether this means they make concessions to the bureaucratic collectivist or state capitalist theories. The reason this point is made is that, in the view of the author of this article, it is only possible to deny the progressive and semi-socialist understanding of the USSR by accepting that it was dominated by a ruling class, which exploits labour. If we define the importance of nationalised property on the basis of a situation of exploitation of labour by a new ruling class, it is possible to deny any socialist aspect to this economic form. However, if we define society in terms of a progressive view of nationalised property, and deny the actuality of exploitation, it is possible to consider society as a bureaucratically distorted expression of socialism. Workers Power has to tackle the immense theoretical task of rejecting the view of the USSR as an exploitative society and yet denying the view that it is progressive and semi-socialist. In my opinion this standpoint cannot be realised. Either the USSR is considered to be an exploitative society, or it is defined as a form of bureaucratic socialism. The former view also denies that deformed workers states can be formed by bureaucratic methods, and the latter approach defends the view that it is possible to establish a counter-revolutionary workers state. Workers Power has to uphold the latter view without bestowing on Stalinism a progressive historical function. Hence they are confronted with the task of 'proving' that reactionary Stalinism can create degenerated workers states, but without this representing an advance in historical progress!

Workers Power outlines the process of the development of socialism as established by Marx, Engels, Lenin and Trotsky. (1) They indicate that the political rule of the working class is essential if the economic progress is to be realised in terms of decreasing the influence of capital via the development of industrial democracy and the establishment of a plan of production that aims to overcome the influence of private production. But what happens if the political rule of the working class is ended and yet the nationalised forms of production remain. They ask the following question: “Can the working class be said to be a ruling class where its political power is not expressed by a revolutionary vanguard linked to the mass of the class by organs of proletarian democracy? Can the dictatorship of the proletariat exist where a bureaucratic dictatorship over the working class is established?”(2) The point that is glossed over in their answer to the question about the class character of the Soviet regime is that this situation of political domination by an elite can only result in the development of exploitation of the working class by the bureaucratic state, as Joseph Carter explains: “Stalinist Russia is thus a reactionary state based upon a new system of economic exploitation, bureaucratic collectivism. The ruling class is the bureaucracy which through its control of the state collectively owns controls and administers the means of production and exchange. The basic motive force of the economy is the extraction of more and more surplus labour from the toilers so as to increase the revenue, power and prestige of the bureaucracy.”(3)

In order to avoid this logical conclusion, Workers Power suggests that an exceptional political regime is possible without the original class character of the Soviet state being overcome. Hence they define the workers state in terms of the role of a Bonapartist dictatorship. But what they forget is that this understanding is logical whilst explaining political processes under a bourgeois regime, but is illogical in relation to a workers state. The point is that if the working class does not politically rule, and so lacks control over the economy, it will eventually be replaced by a new ruling class. To call this Bonapartist formation a stratum ignores the fact that a workers state can only exist in a degenerated manner for a limited amount of time. At a certain point, the new bureaucratic stratum will attempt to transform its political power into a situation of economic domination over the producers. It is absurd to consider that the elitist control of the state will not become a condition for the extraction of a surplus from the producers. Indeed this is what happened with the process of modernisation of the economy introduced by Stalin in the early 1930's. Instead Workers Power suggests that bureaucratic political domination of society is based on post-capitalist property forms that do not result in the exploitation of the producers. Indeed they argue that in a limited form economic progress has resulted in the form of the implementation of planning. Hence they conclude: “For this reason we recognise these states to be a historic gain for the working class – states based on post-capitalist property forms. But without proletarian political power the potential of that property form to revolutionise the productive force and lay the basis for a communist society cannot be realised. The political power of the bureaucracy and the state forms which defend it remain an obstacle to the realisation of the historic interests of the working class.”(4)

This definition of a Stalinist society is ambiguous. On the one hand the fact that exploitation has been replaced within production by a plan is an expression of a progressive society. But the domination of the bureaucracy makes it reactionary. This is a contradictory society that is not in transition to communism unless the working class obtains political power by means of a political revolution. Hence the issue as to whether the Stalinist society is historically advanced is left undecided. It has a potential to become progressive if political revolution occurs. Thus Stalinism is defined as being contradictory because the regressive domination of the state by the bureaucracy does not result in exploitation of the producers within the economy, and instead there is the promotion of a planned economy. This society is not in transition to socialism, but it is in an advanced condition by the very fact that it is post-capitalist. Such an understanding is not logical because the political power of a bureaucratic elite can only be transitional and results in either the regeneration of the working class and the democratisation of the state; or the development of the extension of the bureaucratic political control of the state becomes the generation of exploitation within the relations of production. The fact that repressive Stalinism has overcome the attempt to democratise the state is an indication that the elite has become a ruling class that extracts a surplus. In this context planning is not an expression of post-capitalist property relations but is instead the organised form in which the creation of a surplus product takes place. The extension of the domination of the bureaucracy to the realm of the economy in the early 1930's is an indication of the logical expansion of political power into the relations of production. This means planning cannot in some automatic sense represent the possibilities of post-capitalist property forms and instead is the means by which the elite state organises nationalised property on its own behalf.

It is true that for a limited period of time, during the period of the leadership of Lenin and Trotsky, that the state could be defined as a bureaucratic expression of the rule of the working class. The point is that situation could only be temporary, and therefore results in either a renewal of Soviet democracy and the rule of the working class, which would mean that advance towards socialism would become possible, or the process of bureaucratic degeneration becomes consolidated and results in the party elite becoming a ruling class based on the extraction of a surplus from the workers under the situation of nationalised property. The point is that private property did not have to be restored in order that a ruling class became formed. This was the mistake made by Trotsky, he equated nationalised property with the possibilities of socialism, and so he did not recognise that it could become the expression of the ability of a ruling class to extract a surplus from the working class. The nationalised economy, without industrial democracy, was the basis of a hierarchical organisation of production which enabled the bureaucracy to exploit the working class. This situation occurred after the defeat of the Left Opposition which meant an end to proletarian resistance to the rule of the bureaucracy. In contrast, in an abstract manner, Trotsky defined nationalised property as the economic basis of the degenerated workers state. This understanding was based on an effective ignoring of the character of the relations of production, which was based on the utilisation of planning in order to extract a surplus from the producers. Hence he did not realise that a social revolution, which would mean transforming the character of the relations of production, was required if the working class was to be able to regain supremacy over the economy and the realm of politics.

Workers Power describes the development of bureaucratic rule as the blocking of the process of transition to socialism. In this manner they can deny any concession to the conception of semi-socialism in order to describe the USSR. However what occurred was more than the creation of an impediment to the promotion of socialism. Instead the rule of the bureaucracy under Stalin expressed the development of a new reactionary social formation that acted in a conscious manner to undermine the promotion of socialism in terms of the conscious utilisation of nationalised property in order to exploit the producers. This meant the plan was not an expression of the possibility of socialism in a distorted form. Instead the reactionary and exploitative role of the bureaucratic plan had to be rejected entirely in terms of its character and aims. Hence a new type of plan had to be introduced which expressed the importance of industrial democracy and the aims of the producers and consumers. This development would mean the introduction of a new type of society in which the principles of genuine socialism could be introduced. This analysis means that the USSR could not be a society combining reactionary and progressive elements; instead the domination of the state by the bureaucracy meant that it presided over a retrogressive social formation, and the plan was an inefficient expression of the interests of an exploitative ruling class.

The effective standpoint of Trotsky and Workers Power is that they consider the USSR as a society that is effectively frozen between capitalism and socialism, in a post-capitalist form, and this means that it is has both progressive and reactionary features. The regressive bureaucracy presides over the progressive nationalised economy. But this view underestimates the ability of the elite to utilise the economy for its own benefit. The process of modernisation in the early 1930's means that a surplus product is extracted from exploited workers. Consequently, it is naïve and inadequate to conceive of the economy and the political sphere as being effectively autonomous from each other. Instead the political rule of the bureaucracy enables it to dominate the nationalised economy. The working class needs to liberate the economy from the control of the bureaucracy and in this manner introduce a new type of logic that is not based on the imperatives of exploitation.

The basis of the limitations in Workers Power's approach is that they faithfully uphold Trotsky's analysis of the situation in the 1920's, and so they define the Bukharin group as a right wing Thermidorean faction which is paving the way for the restoration of capitalism via conciliation of the kulaks. Hence Stalin represented a centre group that was concerned to oppose the kulak threat and uphold defence of the nationalised economy. However the result of this situation was the introduction of forced collectivisation and rapid industrialisation. The political logic of this analysis implied that Trotsky should critically support Stalin. However, he is confused, and he defends a contradictory position that is also supported by Workers Power: “Instead their policies of break-neck industrialisation and collectivisation were carried out by bureaucratic dictat and massive police repression. This required the construction of the Bonapartist-Stalinist form of state, alongside the industrialisation and collectivisation drives. Stalin's left turn saw the centrist Stalinist faction transformed into a bureaucratic caste committed to a political programme of counter-revolutionary Bonapartism.”(5) Such an understanding implied that the Left Opposition could unite with the Right Opposition on a platform of party democracy. Instead, Trotsky still illogically preferred the possibility of a united front with the Bonapartist Stalin! This was because he considered that the bureaucracy was effectively defending the nationalised economy in an adventurist manner, and was not developing the basis to establish the exploitation of the workers and peasants. What Trotsky had not understood was that the Bonapartist dictatorship of the Soviet system was not similar to that of Napoleon Bonaparte, which had maintained the bourgeois revolution of France in a bureaucratic manner. Instead the Bonapartism of Stalin had a logic that led to the demise of the degenerated workers state and its replacement by the creation of bureaucratic collectivism. This economic and political system was based on the creation of a nationalised economy that represented exploitation and a repressive state.

In other words, Trotsky's approach became dramatically one-sided in relation to the utilisation of the analogy of Bonapartism. He developed it in a manner that projected the political processes of the French bourgeois revolution onto those of the Soviet regime. Hence he concluded that the nationalised property relations of the Soviet state had been consolidated by Stalin's actions during 1928-30. This meant he did not recognise that the outcome of these reactionary developments was the demise of socialism rather than its distorted defence. Hence the character of Soviet Bonapartism was different to the French, and the former led to the overthrow of the Soviet regime. This situation also meant that Bukharin was effective a progressive defender of bureaucratic socialism because he upheld it as the basis for the continuation of the New Economic Policy, and the role of the proletariat-peasant alliance. In contrast, Stalin ended the proletariat-peasant alliance in order to consolidate the domination of the bureaucracy over the economy. Hence his measures lacked any progressive character, and instead were about creating a reactionary social formation. Thus Stalin was not a centrist, and instead upheld the most right-wing expression of a bureaucratic elite intent on consolidating its power by ending any aspect of socialism within society. In contrast, the role of the New Economic Policy represented the potential for socialism within the USSR.

Workers Power outlines how collectivisation was carried out in the most repressive and irrational manner, which only led to the mass resistance of the peasantry. However, they do not oppose this action because they do not support the continuation of the NEP. Hence the implication is that a progressive measure was carried out in a reactionary manner. But this dialectic understanding is illogical. In actuality it is not possible to combine the progressive and retrogressive. Instead, as Workers Power admits, the result of forced collectivisation was the creation of an antiquated system based on the reluctant production of resentful peasants. This reactionary measure could only be conceived as logical in terms of the fact that it contributed to the development of the power of the Stalinist bureaucracy. What would have been truly sensible and productive was the continuation of the NEP and the gradual and voluntary introduction of collective farming. But Stalin was not interested in what was realistic and rational. Instead he was motivated by the issue of economic and political power. Only in that sense was forced collectivisation a rational measure. In terms of genuine economic progress, and the advance to socialism, what had occurred was a massive setback. The productive forces within agriculture did not develop. Instead productivity declined, and the only motivation for economic activity was provided by the private plots. Workers Power can describe what occurred with forced collectivisation, but they cannot explain this situation. This is because they do not support the view that Stalin was creating a new reactionary social formation.

In relation to planning, it is described in the following manner: “The Stalinist form of planning is only possible after the proletariat has been politically expropriated. This means that the self-activity and democratic initiative of the toilers themselves, the very force that is indispensable to planning and developing the productive forces on the road to socialist construction cannot be harnessed by the bureaucracy.”(6) But what is the cause of this situation? The reason that the bureaucratic domination of the economy cannot be based on genuine democratic planning is because the aims of the elite and the working class are diametrically opposed. The bureaucracy aims to extract a surplus from the working class, whilst the workers attempt to resist this situation. Hence the so-called post-capitalist property form is not progressive but is instead an expression of a new reactionary social formation. The effective political expropriation of the working class created the conditions for its economic exploitation during the period of the introduction of the Five year plans. Workers Power describe all the aspects of the alienation of the working class during the process of production such as low labour productivity and absenteeism, but because of their orthodox stance they cannot explain these aspects in terms of the significance of the antagonistic extraction of the surplus product. Workers Power is reluctant to explain this situation of the subordination of labour to the bureaucracy within the relations of production. The point is that industry has all the features of capitalism, but the reason that this situation does not represent capitalism is the character of the state bureaucracy which is based on a post-capitalist form of economic exploitation.

Workers Power outline in empirical detail how the history of Soviet planning is characterised by features of advance and massive rise in productivity followed by periods of crisis. They define the progress that was made in terms of the: 'potential of the socialist organisation of production'.(7) But this is a wrong conclusion because it is quite credible to accept that even a reactionary social formation based on economic exploitation can undergo periods of the development of the productive forces. This situation does not prove that the USSR was post-capitalist or potentially socialist. Instead the system was able to express aspects of economic rationality and organisation, and it would be wrong to define the USSR in terms of the logic of a lack of planning. But the important point to remember is that without the domination of labour within the relations of production the economic system must be based on some form of exploitation. In this context the political expropriation of the working class described by Workers Power was the basis of the introduction of economic exploitation in relation to the introduction of the five year plans. The fact that relative economic successes could be connected to the role of the plans is not an indication that the system was based the role of a degenerated workers state. Instead planning was connected to the importance of the extraction of a surplus from the working class.

Workers Power empirically describe introduction of disciplinary measures within the workplace, and the fact that low wages were paid to most workers, but an elite section of the workforce was able to obtain high wages because of their contribution to productivity. But they do not explain the reasons for this intensification of the subordination of the proletariat within the relations of production. The reason for this situation was because the process of industrialisation was based on the attempt to establish the highest rate of accumulation of capital on the basis of the exploitation of the workforce. Why was this situation not described as state capitalism? The reason is that private capital was repressed and replaced by the domination of nationalised property by the state bureaucracy. It is true that state capitalism developed in many countries during world war two, but this situation was temporary and was quickly replaced after the war with the reintroduction of the domination of private capital. In contrast the Soviet bureaucracy ended the influence of private capital in the early 1930's, and the party-managerial elite became the basis for the extraction of a surplus from the workforce.

The foreign policy of the party elite expressed the character of the internal situation. The terrible defeats of the third period were replaced by the opportunist popular frontism, and the aim of opposing fascism was based on the defence of bourgeois democracy. The goal of proletarian revolution was definitively rejected, and in Spain the working class was repressed by Stalinism in order to ensure that proletarian revolution did not occur. In other words the bureaucracy was hostile to any advance of the world proletarian revolution because it has become a reactionary ruling class. The possibility of democratic socialism posed a threat to its own political power.

Workers Power explains the purges in the mid 1930's in terms of the problem with planning, the rivalry between Kirov and Stalin and the aim to overcome all forms of opposition within the party. This analysis is effectively correct, but what is not explained is that Stalin was also motivated by the aim of developing absolute power. He did not consider himself secure until he had established a totally docile party. Hence these repressive political changes accompanied the process of the modernisation of society.

In the early 1930's Trotsky considered that the bureaucracy had politically expropriated the working class, but the regime was still based on the social conquests of the October revolution, and so defended nationalised property. This analysis was extended to suggest that a political counter-revolution had occurred on the basis of the economic basis of the workers state. The term utilised in the early 1930's of bureaucratic centrism was replaced by the importance of the Bonapartist bureaucracy which upheld post-capitalist property relations but politically dominated the proletariat. The bureaucracy is not a ruling class but is instead able to utilise its privileged position to have access to the process of distribution and to therefore undermine the possibilities of the nationalised economy. Workers Power concludes from their interpretation of Trotsky: “While the bourgeoisie under capitalism is a necessary component of the relations of production, the Soviet bureaucracy is not such a necessary element in the planned property relations of the USSR. On the contrary, its monopoly of political power, its control over distribution is, and always has been (even during the most dynamic phases of Soviet economic development) an obstacle to the full realisation of the potential of the property relations of the USSR....In the USSR it is not the property relations but a layer of administrators and distributors who block the development of the productive forces.”(8)

This view suggests the nationalised economy is progressive but it is undermined by the bureaucracy which does not have an indispensable role within the relations of production! This view is absurd because it is only possible to explain the retrogressive economic role of the bureaucracy because its domination of the relations of production means it is able to exploit the working class to the detriment of the development of the productive forces. The fact that the bureaucracy has a parasitical relationship to the nationalised economy is because its domination is irrational in relation to the undermining of the ability to realise consistent expansion within the levels of production. Its privileged position within distribution is also an expression of its domination of the nationalised economy. Therefore the nationalised economy of the USSR is not progressive in some ambiguous post-capitalist manner, and therefore in order for nationalised property to become rational and efficient the working class has to establish its domination of the economy in terms of the overthrow of the bureaucracy. The point is that the bureaucracy does have a crucial relationship to the relations of production of the nationalised economy, but it is one of domination and the imposition of exploitation of the producers in order to extract a surplus. In order for a genuinely progressive type of nationalised economy to be established the working class has to establish new relations of production via the role of proletarian revolution. Only a genuine workers state will enable labour to truly overcome the domination of a ruling class based on the dynamics of extraction of a surplus from the producers. Hence it is illogical to define the Soviet economy as representing post-capitalism or progressive; instead it is defined by relations of production based on the impulses of exploitation.

Workers Power contributes to further confusion when they claim that: “The fundamental contradiction of hitherto existing societies on the eve of social revolution - that between the forces of production and the class relations of production - does not exist in the USSR. The bureaucracy is in fact unnecessary for the rational and progressive development of the productive forces within the system of planned property relations. The contradiction at the heart of the Soviet Union is the contradiction between a system of property relations and a layer of administrators and distributors (the bureaucracy) who stand in the way of the working class dynamically developing the productive forces in its own, i.e., socialist interests.”(9) It is true that the working class express the possibilities of the productive forces, or what would be a genuine type of nationalised property based on the role of a democratic plan of the producers. But to deny the influence and importance of the bureaucracy within the relations of production is absurd. The bureaucracy has the ability to impose dire conditions at work on the producers precisely because it has the dominant role within the relations of production of the nationalised economy. In contrast, the working class has no constructive control over the process of production – it can protest, work badly, and be absent from work – but it remains subordinated to the bureaucracy within the relations of production. Hence the nationalised economy is not some autonomous type of entity that is in some indirect manner effectively represents the expression of socialism within the bureaucratic system. Instead it expresses the extension of the political power of the bureaucracy into the realm of economics. To suggest the bureaucracy is an unnecessary and parasitic extension of the role of the nationalised economy is also illogical. The aims and priorities of the nationalised economy are established by the state plan, which has the aim of economic growth and the extraction of surplus product from the producers. Hence in order for economic progress to occur, what is required is a different type of nationalised economy based on the democratic control of producers and consumers.

The major problem with the approach of Trotsky and Workers Power is that they conclude that despite having no economic and political power, the working class is still in some sense the ruling class: “For these reasons, it remains the case that, even in Stalin's Russia, the working class remains the ruling class because the property forms in existence were those that the working class requires to build socialism. The working class had, however, been politically expropriated by a caste of bureaucrats analogous to the caste of bureaucrats in the trade movement under capitalism.”(10) To suggest that a society based on the most terrible repression, slave camps, and the most intense economic exploitation, is some form of workers state because nationalised property is mysteriously independent from the role of the bureaucracy, is absurd. The working class cannot be considered a ruling class because it is not the dominant social force within the relations of production, and instead is subordinated to the imperatives imposed by the bureaucracy within the nationalised economy. Hence the contradiction between the relations of production and the productive forces is continued by the Stalinist regime. This contradiction can only be resolved by a new proletarian revolution which establishes a new type of nationalised economy. Historical experience has shown that it is possible to establish a nationalised form of production which is based on exploitation of labour. This exploited class cannot be a ruling class, and this situation is not identical to that which occurs between the working class and a trade union. It is possible for the rank and file to transform the union into a fighting organisation of the working class, but it is not possible to reform Soviet society. Instead only a revolution to overthrow Stalinism by the working class will establish the possibility to develop a genuinely progressive nationalised economy.

Trotsky defined the USSR as a workers state that is dominated by the bureaucracy and has similar features to fascism! This definition is contradictory. In order for a workers state to develop it must be a commune state. Its degeneration means that the working class still has some form of political influence within the revolutionary party, which dominates the state. This was the situation between 1918 and 1928. But the definitive establishment of the Bonapartist rule of Stalin ended all influence of the working class within the state and economy. The importance of the peasantry was also ended by the demise of the NEP. This development must have meant that the ruling class could no longer be the working class, and instead it became the party bureaucracy led by Stalin. This regime could only maintain itself because of intense exploitation within productive activity, and because of systematic repression. The working class had no economic and political power, and its relation to the nationalised economy was one of subordination to the requirements of the centralised planning of the state bureaucracy. Hence, to suggest that even in some indirect manner the working class is still a ruling class is absurd. Consequently, the elaboration of the conception of the degenerated workers state into the formula of the counter-revolutionary workers state also makes little sense. This is because it is completely contradictory to suggest that a workers state, which implies the possibility of socialism and communism, even in an indirect manner, could be counter-revolutionary. The point is that the Stalinist bureaucracy carried out counter-revolutionary actions because they were historically reactionary. For example, the Nazi-Soviet pact was an expression of the narrow interests of the Soviet bureaucracy, but was completely at odds with the aims of opposing fascism. A genuine workers state would have promoted world revolution in order to oppose the threat of fascism.

Workers Power rejects Tony Cliff's theory of state capitalism because they suggest that the rapid accumulation of capital – which is central to Cliff's approach – is not a crucial aspect of defining the social character of society. It is possible that rapid accumulation can occur both in the early period of the development of capitalism and in a genuine workers state that wants to emphasise the importance of the production of the means of production in order to industrialise the economy. He also does not establish that genuine capitalism can be created without the role of private ownership and instead develops an argument that the USSR is involved in military competition with the West, in order to reinforce his argument.(11) These arguments have some validity, but they do not prove that the USSR was a workers state. Instead the process of accumulation, which was started in the late 1920s, became indispensable for the development of creation of a new ruling class that exploited labour within the nationalised economy. The establishment of the control of the state by the bureaucracy established the basis for the development of exploitation of the workers within the economy: “What we have called the consummated usurpation of power by the Stalinist bureaucracy was, in reality, nothing but the self-realization of the bureaucracy as a class and its seizure of state power from the proletariat, the establishment of its own state power and its own rule. The qualitative difference lies precisely in this: the bureaucracy is no longer the controlled and revocable “managers and superintendents” employed by the workers state in the party, the state apparatus, the industries, the army, the unions the fields, but the owners and controllers of the state, which in turn is the repository of collectivized property and therefore the employer of hired hands, the masses of the workers, above all, included.”(12)

The most important criticism that could be made about Cliff's theory of state capitalism is that it is a theory that could equally be connected to the understanding that the USSR is bureaucratic collectivist. In other words the process of intensive capital accumulation, or modernisation of the economy, could be carried out by a new ruling class that presides over the nationalised economy. An important problem with Cliff's standpoint is that his consideration of the USSR as a state capitalist economy is not compatible with the ideology of the regime, whereas the standpoint of bureaucratic socialism can be considered to be the justification of a new anti-capitalist ruling class. Also Cliff considered the USSR to be a progressive form of capitalism and so underestimated the importance of its irrationality, waste and inability to become more efficient than the USA.

Workers Power is right to support the resistance of the Red Amy when the invasion of the USSR by the forces of German imperialism occurred. But once this threat had effectively been defeated, it was also necessary to make the explicit call for the withdrawal of the Red Army from Eastern Europe in order that popular struggles against capitalism could occur without interference. It is reasonable to suggest that if the Red Amy had not occupied Eastern Europe genuine proletarian revolution could have occurred. Workers Power make the following point: “At the level of the state, the Red Army served to stabilise and, in some cases, to reconstruct the forms of administrative and repressive state apparatus associated with bourgeois rule; governments centralised in the hands of a distant and unaccountable executive; internal and external security centralised in the hands of a standing army above and opposed to the mass of direct producers.”(13) Thus it would be dogmatic to assume that the Soviet bureaucracy was initially motivated by the aim of the overthrow of capitalism in 1945. Instead its intention was to continue to co-operate with Allied imperialism, and this meant it was content with the formation of pro-Soviet governments in Eastern Europe. It is reasonable for Workers Power to define this situation as one of dual power between the bourgeoisie and the Stalinists, who had the most important influence within the state. This period was one of the suppression of any movement towards genuine proletarian revolution.

However, the Workers Power definition of the situation as the governmental domination of the bourgeois workers government is problematical. This is because Soviet Stalinism, and its proxies within Eastern Europe, no longer represented the expression of the interests of the working class. Instead they expressed the potential for the formation of a new type of reactionary society. Thus it would be more accurate to describe the situation as the alliance of the bourgeoisie with the Stalinist bureaucracy. The immediate intention of this governmental form was the creation of capitalist states friendly to the USSR, as Workers Power claim. But the declaration of the Truman Doctrine, and then the introduction of the Marshall plan, undermined the integrity of the Soviet political control of Eastern Europe. Stalin's response was to order the bureaucratic end of the popular front; instead he permitted the counter-revolutionary overthrow of the bourgeois state by means of the role of the Communist party control of the armed forces within Eastern Europe. Workers Power consider that this process led to the formation of degenerate workers states, which was completed with the introduction of planning in order to strengthen the nationalisation of the economy. They argue that what could have been a progressive measure – the overthrow of capitalism – was carried out in a counter-revolutionary manner: “The measures carried through by the Stalinists in the course of the social overturn (expropriation of the bourgeoisie, statification of the means of production) whilst themselves revolutionary in character, are achieved in a military bureaucratic fashion.”(14)

This approach whilst it emphasises the reactionary and bureaucratic character of the formation of degenerated workers states, still accepts the view that counter-revolutionary Stalinism can form a type of workers state. This means the limited progressive role of Stalinism is accepted. What is underestimated is the influence of the USSR in this process. In other words it is the character of the USSR which is crucial for understanding the process of transformation in Eastern Europe. The countries of Eastern Europe are changed in accordance with the character of the USSR. This means that they become bureaucratic collectivist: “During the past two years the unfolding of Stalinist policy in the satellite states especially, has helped to confirm and clarify the nature of Russia and Stalinism. First and foremost among these developments has been the clear fact that the Stalinist regimes without exception pursued a policy of bureaucratic nationalization of the economy and destruction of the capitalist class.”(15) And: “The socio-economic system, as well as the political system has been made identical with Russia itself in every important respect. The bourgeoisie has been expropriated not only politically but economically.”(16)

What has occurred is a process of structural assimilation in which the countries of Eastern Europe have become replicas of the USSR. This was always a possibility in the post-war period because of the domination of Eastern Europe by the USSR. However, Stalin initially hindered this possibility because of the aspiration to reach accommodation with the imperialist powers about the development of Eastern Europe. The failure of this possibility meant that the process of structural assimilation was promoted. The bureaucratic character of the state meant that it was possible to overthrow capitalism without the connected mass mobilisation of the working class, except in the limited instances of Czechoslovakia. What was crucial to this process was Stalinist domination of the state, which enabled control of the economy to occur. Only in Yugoslavia was the political process different. In this instance a mass independent Communist party carried out partisan warfare, and this enabled the overthrow of capitalism to occur independently of the process of structural assimilation. Workers Power defines this development in the following manner: “During this process, begun early in 1946, the Stalinist monopolised government was a bureaucratic and anti-capitalist workers government. The bourgeois were expropriated while, at the same time, the Stalinists ensured that the working class and poor peasants could not replace their rule with the organs of the revolutionary dictatorship of the proletariat, soviets and workers councils.”(17)

Workers Power has described aspects of the process of the bureaucratic transformation of society. But its definition of the class character of the Yugoslav state is flawed because the Stalinist ideology of the Yugoslav Communist party meant that it promoted a form of bureaucratic socialism that was compatible with the general character of the Stalinist social formation. Thus an independent bureaucratic collectivist society was established. However, the break with the USSR in 1948 meant that the Yugoslav Communist party had to try and introduce popular measures in order to maintain mass support. In this context it introduced a limited form of workers control and developed a non-aligned foreign policy. The YCP aimed to be genuinely independent of both imperialism and the USSR. In these ideological terms it tried to reconcile the bureaucratic system with mass support as the basis to defy the USSR. But, in 1956 the leaders of the YCP betrayed the Hungarian revolution and became closer to the USSR. In the long-term the dynamics of structural assimilation still applied to Yugoslavia, and the system combined the role of the single party state with semi-democratic economic aspects.

In relation to China, the terrible defeats of the urban working class in the late 1920's led to the Communist party concentrating on developing its mass support within the peasantry, and it led a guerrilla war against both Chiang-Kai-Shek and also the Japanese army. In 1949 the peasant army was militarily successful, and the Communist party took power without the involvement of the working class. Between 1949-51 according to Workers Power, was a period in which the Stalinists shared power with the national bourgeoisie, but the Korean War led to increasing measures to bureaucratically end capitalism and this process was complete by 1953 with the introduction of planning. According to Workers Power a bureaucratic degenerated workers state was established in 1953. This analysis of Workers Power seems partly accurate, except that it does not explain the dynamics of structural assimilation which meant China became a replica of the bureaucratic collectivism within the USSR.

The point is that the limitations of the planning process within China were because of the situation of the exploitation of the workers. However, from the viewpoint of the Chinese bureaucracy the process of structural assimilation and dependency on the economic support of the USSR became problematic because it did not promote the rapid development of the Chinese economy. In a contradictory manner, Mao supported an independent basis for China's economic development which would mean self-sufficiency would be more effective than relying on Soviet economic support. Hence the Great Leap Forward took place in order to increase the exploitation of the peasants, and to encourage them to produce industrial type goods. The modernisation of China was to occur in independent terms. In order to ideologically justify this voluntarism, the Chinese Communist leadership increasingly questioned the hegemonic role of the USSR within the World Communist movement. The result was the Sino-Soviet break. However, the economic problems associated with this voluntarism, and the connected catastrophic decline in production associated with the Great Leap Forward and the Cultural Revolution, led the Deng leadership of the CCP to promote policies that would encourage the initiative of private peasant production and capitalist development, via the supervision of the state. The rejection of structural assimilation with the USSR ultimately generated the dynamics of the restoration of capitalism.

The developments in South-East Asia are outlined by Workers Power in a thoughtful manner. The process of bureaucratic change in Vietnam involved both the effective suppression of the working class and Trotskyists by the Stalinists, and also their ability to engage in a national liberation struggle against French and American imperialism. This development indicated that Stalinism is not always based on conciliation and peaceful co-existence with imperialist powers, and can become involved in popular struggles in order to advance its aims, even if this means war against the domination of the major capitalist countries. However, the utilisation of the label degenerated workers states by Workers Power in order to define several countries in South East Asia means that differences between them cannot be easily explained. For example, Vietnam always based its policies on upholding connections with the USSR. It was as an expression of effective structural assimilation that explains the ability of Vietnam to survive the onslaught of imperialist military might. In contrast, the Khmer Rouge in Cambodia supported a strident ideology of self-sufficiency which led to justification of genocide and the collapse of the state. It required the military intervention of Vietnam in order to end this situation. Furthermore, we can suggest that the term degenerated workers state in order to describe Cambodia is totally inadequate and that it would be more accurate to define it as a slave state. In contrast, Vietnam like Yugoslavia became a bureaucratic collectivist society with mass popular support.

However, Workers Power, by rigidly applying the label degenerated workers state in order to understand Vietnam, avoid the opportunist approach of many claiming to be Trotskyist, who equated the fact of Vietnam's opposition to USA imperialism with the role of a 'centrist' or healthy workers state. Instead they outlined how the role of Vietnam was understood in terms of the counter-revolutionary role of Stalinism. Hence the Vietnamese Stalinists could not carry out genuine proletarian revolution, and indeed were constantly opposed to this development. This fact is explained in impressive detail by Workers Power. But the ultimate reason for the opposition of the Vietnamese Stalinists to the USA is not explained. The Stalinists were attempting to create a type of society that was similar to that of the USSR, and this objective was opposed by the USA. Hence the ferocity of the conflict. Indeed the USA strategists did consider the struggle of the Vietnamese as an expression of world proletarian revolution, whilst the Vietnamese defined it in anti-imperialist terms, but with the support of the world socialist camp. Indeed, it could be argued that without the support of the USSR success in this struggle may not have been likely. Hence the USA policy of detente, adopted in the early 1970's, whilst it intensified the differences between the USSR and China, it was ultimately unsuccessful because it was unable to undermine the ability of the USSR to support Vietnam. In this manner, the very counter-revolutionary character of Stalinism was connected to a perspective of bureaucratic expansion. This process continued what had occurred within Eastern Europe in the past-war period.

But Workers Power is unable to explain this development because they are indifferent to the dynamics of structural assimilation. Instead, in a very conjunctural and empirical manner they describe in terms of isolated events the conflict between the USSR and its allies with the USA. Indeed, they do not describe the cold war in any detail. But the cold war was an indication that the systems of bureaucratic collectivism and capitalism were ultimately incompatible. Capitalism had to undermine the latter, and vice versa. This process is not explained by Workers Power because they are preoccupied with the internal dynamics of the formation of a degenerated workers state. The international relations of the rival social formations are not explained. However the ideology of bureaucratic socialism is based on the understanding that under the leadership of the USSR the process of the development of world revolution would occur. This was not based on support for a genuine proletarian revolution that is connected to mass organs of working class struggle, but instead under the leadership of the various Communist parties the possibilities of socialism could be advanced. Hence it was dogmatic to define Stalinism as merely counter-revolutionary, or based on an accommodation with world imperialism. Instead the aim of world communism would be advanced via the role of peaceful co-existence. However, the perspectives of the CPSU were discredited by its domination of Eastern Europe. This meant a new type of imperialism was being justified, and so this made a mockery of the view that the USSR was also promoting world socialism. However, the CPSU justified its hegemony over Eastern Europe in terms of the view that socialism was being built in these countries.

The theory of the degenerated workers state could not explain the imperialist relation of the USSR to Eastern Europe. It was the theory of bureaucratic collectivism that could provide an understanding in terms of the expansion of a new form of imperialism, and its tendency to economically and politically dominate nations. In contrast, the theory of the degenerated workers state was reduced to considering developments in terms of the bureaucratic overthrow of capitalism. The relationship of these events to the role of the USSR was effectively minimised in this manner. However, what created problems for all the theories about Stalinism was the role of the Cuban revolution. This was a popular struggle for national independence, which was led by non-Stalinist forces, and initially had the aim to establish the end of domination by America. It can be considered a genuine bourgeois democratic revolution that realised land reform and other important measures. The revolution was not bureaucratic and was not based on Stalinist leadership. Max Shachtman, the originator of the theory of bureaucratic collectivism, adopted a hostile attitude towards the Cuban revolution, and this attitude began his increasing trajectory towards support for USA imperialism. It seemed that the theory of bureaucratic collectivism could not explain a radical revolution which was truly popular and not based on the hegemony of Stalinism. Instead it seemed that it was possible to apply the theory of the deformed/degenerated workers state in order to explain Cuba. In other words Cuba had overthrown capitalism with its nationalisation of the important sectors of industry, but it had not established genuine forms of participatory democracy. Hence, it was effectively defined as a centrist type of workers state by the majority of the Fourth International.

However, the theory of structural assimilation enables us to connect events in Cuba with the conception of bureaucratic collectivism. The Cuban economy became a replica of the Soviet economy despite the popular character of the regime. This meant that the character of the economy was based on state centralisation and the absence of workers management of production. Instead a low wage situation was justified with the emphasis on moral rather than material incentives. In other words the very role of the popular character of the regime was utilised in order to ideologically justify the extraction of a surplus product from the working class, and to justify the subordination of the trade unions to the imperatives of the state. Hence the charisma of Fidel Castro meant the subordination of the working class was justified. The workers were considered to culturally lacking in relation to the fact that workers control of production was considered unrealistic. But without workers management of production, the economy must be based on the subordination of labour to the party bureaucracy. Thus the very popularity of the regime meant that this situation was accepted without great discontent. Instead the nation largely united against the opponent of the USA. Cuba became a highly regarded part of the world socialist camp, and it acted to realise the objectives of the USSR in international terms, as with the military action in Angola.

Workers Power has to tackle important challenges. On the one hand they reject the explanatory importance of the theory of structural assimilation in order to explain the character of Cuba. On the one hand they reject accommodation to Castroism, in order to repudiate any dilution of the theory of degenerated workers state. They consider that the crucial theoretical test is to outline how a petty bourgeois nationalist movement could create a degenerated workers state. The revolutionary role of the July 26th movement was to lead a popular anti-imperialist revolution that resulted in the serious weakening of the bourgeois state. But the initial ideology of Castro was anti-communist and he did not support any type of socialism, instead his perspective was that of bourgeois democracy. But the hostile reaction of the Cuban bourgeoisie and USA imperialism to land reform led to an increasingly left-wing trajectory of the regime, and nationalisations were carried out in mid-1960. The USSR agreed to buy Cuban sugar as a response to the cancellation of the American purchase of this commodity. According to Workers Power Cuba had become a bureaucratic anti-capitalist workers government in the summer of 1960. The absence of workers councils and the leadership of a revolutionary communist party meant it could not be a healthy workers state. Instead Castro established closer relations with the Cuban Stalinists and economic connections were made with the Soviet bloc. There was a lack of economic democracy, and instead Cuba was a replica of the other degenerated workers states: “Whilst gains were made for, and by, the working class, (the expropriation of the bourgeoisie, statified and planned economy, a state monopoly of foreign trade) the Castroite Bonapartist clique and a privileged bureaucracy usurped power from the working class. The Cuban overturn had a predominantly counter-revolutionary character. It was not qualitatively different from the social overturns that created the other degenerated workers states.”(18)

Workers Power had outlined how it is possible to utilise the approach of the degenerated workers state in a principled manner. However, they underestimated the importance of structural assimilation, or the extent of the reliance of Cuba on the Soviet bloc in order to ensure its survival. Instead they consider that the major theoretical issue is whether the petty bourgeoisie can be a revolutionary class. Their answer is that Castro became the Bonapartist representative of the politically expropriated working class. However, they effectively admit that the issue of the character of the Cuban regime was decided by the importance of structural assimilation. This standpoint is outlined in the following quote: “The condition which opened the “Cuban road” to the establishment of a degenerate workers state was the continued existence of the USSR and indeed the proliferation of degenerate workers states. Without the political, economic and military aid from the USSR, the Castro government would eventually have gone down to defeat, either at the hands of Cuban-US counter-revolution or at the hands of the Cuban proletariat led by a Trotskyist vanguard party. The willingness of the Soviet bureaucracy to assist Castro to avoid such alternatives was due to the Kremlin's tactical disagreements with imperialism and its strategic counter-revolutionary hostility to the seizure of power by the working class.”(19)

The empirical fact of the importance of the assistance of the USSR for the Cuban regime means that Workers Power have to acknowledge this fact despite their overall indifference concerning the theory of structural assimilation. However, those of us who support the theory of bureaucratic collectivism have to suggest that it is not possible and feasible for the petty-bourgeoisie to create a degenerated workers state. Instead their affinity with the bourgeoisie means that they can only conceive of the character of a statised economy in terms of the subordination of the working class to the managers of the factories and workplaces. But the popular character of the regime also meant that it was motivated to promote the highest levels of health care and education. In other words the role of the party was to take care of the people. The paternalist character of the regime meant that it was effectively benevolent when compared to the traditional Stalinist regime. The Cuban government retained a level of popular support that could only be envied in the USSR and Eastern Europe. It was necessary to carry out reforms in order to uphold a high level of popularity for the government in order that the Cuban people could present a united opposition to American imperialism. In this sense the ideology of the regime was still petty-bourgeois. It was based on the importance of national independence and related rejection of American domination. The aspect of socialism was considered to be the secondary aspect of propaganda, and was viewed as an expression of being part of the Soviet camp. Hence it was radicalism that motivated Castro, and it was Che Guevara who represented a more revolutionary standpoint. Guevara could be defined as a centrist who combined aspects of Marxism and radicalism. This was why he could not stay in Cuba, and instead had to internationally promote his version of proletarian revolution.

Workers Power argue that the creation of degenerated workers states in oppressed countries like Cuba does not confirm the theory of permanent revolution. They outline how the genuine leading role of the working class is required in order to establish a perspective of proletarian revolution and its development in international terms. Hence they reject the various explanations of the centrists which imply that Stalinism or petty bourgeois radicalism can carry out the task of permanent revolution. This is an opportunist view that glosses over the fact that Stalinism can only create a bureaucratic workers state. However it is possible to accept that Stalinism can carry out progressive tasks like land reform in Cuba, and national liberation in Vietnam and China. In this manner aspects of the bourgeois democratic revolution can be carried out by Stalinism. What it cannot do is act as a substitute force for proletarian revolution because this development would mean the demise of the dominant influence of Stalinism. However, Stalinism justifies this process in terms of expressing the view that it is promoting genuine socialism. In other words, bureaucratic socialism is the proletarian revolution. The major Fourth International accommodated to this view, especially in relation to Yugoslavia and Cuba.

However, Workers Power also accommodate to this standpoint when they claim that: “However, the predominantly counterrevolutionary nature of Stalinism, which is a constant factor, means that where acts, progressive in themselves, are carried out by Stalinists, they are done in a counter-revolutionary manner and with counter-revolutionary results.”(20) Hence the act of the overthrow of capitalism, and the establishment of the planned economy, is considered to be progressive despite the fact that is done a bureaucratic manner and the working class is politically expropriated. This standpoint does imply that a distorted proletarian revolution has been carried out by the bureaucracy. In order to reject any accommodation to Stalinism, it is necessary to establish that the overthrow of capitalism is carried out in a reactionary manner, because not only does it not involve he role of the working class as a revolutionary agency, what also occurs is the establishment of a new reactionary social formation. But Workers Power, whilst it has important problems in its conception of the bureaucratic overthrow of capitalism, is also able to outline a perceptive criticism of the reactionary programme of Stalinism, and to provide reasons why this perspective will not advance the aim of world revolution. Hence, Workers Power is able to elaborate reasons why Stalinism, and its nationalist conception of socialism in one country, is unable to defend a principled programme of international class struggle. But at the same time, in a contradictory manner, they make concessions to the view that Stalinism acts in a progressive manner, despite its bureaucratic character, when capitalism is overthrown and replaced with a degenerated workers state.

Despite this problematical aspect, Workers Power outlines a principled programme of political revolution connected to the re-establishment of the role of free trade unions, the development of soviets in order to promote mass struggle and a democratically organised economy. However, whilst committed to both Soviet, and parliamentary democracy, the programme does not make any explicit commitment to end single party rule. Thus the programme does not recognise that one of the reasons for the degeneration of the USSR was the formation of the domination of a single party state. Hence it is necessary to make a more explicit commitment to the importance of a multi-party system, and the necessity of free electoral competition between parties. This will mean the right to vote for the restoration of capitalism. Instead of making this commitment it calls for a political system under Soviet control. However, this did not prove to be sufficient in Russia. Instead it is necessary to have a constitution that rejects the banning of parties.

Workers Power calls for the defence of the degenerated workers states against the attempts of imperialism to restore capitalism. The problem with this formulation is that it implies that the bureaucracy must be supported in a situation of military conflict. Instead there must be more principled reasons to support Stalinism in a war with imperialism, such as the defence of national self-determination in relation to Korea and Vietnam. In contrast, the formula of defence of the workers states implies that they are being defended because they are more progressive than capitalism. This is an illusion. Instead they are reactionary social formations that share with capitalism the common objective of exploiting the working class. Hence the issue of defence must be connected to opposing the aim of various imperialist powers to realise national subjugation of the countries of bureaucratic collectivism. However, it was also possible to support Cuba intervention in Angola because it was based on opposing South African imperialism's attempt to establish control of the area. In relation to Afghanistan, the task of upholding a progressive government was not promoted by the military invasion, and so we should have called for the withdrawal of the Red Army. The task was to develop popular support for a regime which could carry out bourgeois democratic revolution.

WORKERS POWER AND THE ANALYSIS OF OTHER TROTSKYISTS

Workers Power are critical of leaders of the Fourth International like Pablo who defined the relative independence of the Yugoslav Communist party from the USSR as an expression of a revolutionary orientation. Stalinism became defined as being possibly progressive or reactionary in terms of its relation to the USSR. Workers Power suggests that a more principled definition is the following formulation: “We recognise this contradiction as an intensely dialectical one; that is, that Stalinism is capable of achieving (in exceptional circumstances) results which taken in isolation are progressive (the liquidation of capitalism) But Stalinism achieves these results by counter-revolutionary means. In recognising this we by no means equate the progressive and reactionary means. We recognise that the progressive part is permeated and dominated by the counter-revolutionary whole.”(21) This formulation may be sufficiently principled to represent an alternative to the standpoint of the Fourth International, but it is still problematical. What is still accepted is the view that Stalinism can bureaucratically overcome capitalism and create a degenerated workers state. The emphasis on the counter-revolutionary character of this process is contradictory because the Fourth International seems more logical when bestowing some progressive aspect to this process. This means the only principled and consistent approach is to suggest the overthrow of capitalism is reactionary because it results in a new form of exploitation. In other words the logical result of the theory of degenerated workers state is to suggest, in its many different formulations, that the bureaucracy carried out a distorted type of proletarian revolution. The alternative is to suggest that the domination of Eastern Europe by Stalinism would eventually mean: “The bureaucracy did not restore capitalism or abandon or undermine state ownership of the means of production.... On the contrary, it not only fought and fights tenaciously for the maintenance of nationalized property, which is the property of its state and the indispensable economic foundation of its rule, but it managed to destroy the economic foundation of the bourgeoisie in a number of other countries and to replace it with nationalized property.”(22)

Consequently the nationalised economy is not some expression of progressive post-capitalism established by the bureaucracy, but is instead the personification of its social power as a new ruling class. This measure is not progressive because in no sense is the aim of socialism enhanced. In contrast, Workers Power, whilst they formally reject the view of Stalinism as having a dual nature – both progressive and reactionary – they still uphold the standpoint that it carries out the progressive measure of establishing a degenerated workers state, in terms of the establishment of the nationalised economy. Hence they cannot overcome the opportunist logic of the conception of the degenerated workers state. But despite the contradictions in their view, they are still able to uphold the perspective that Stalinism is counter-revolutionary in overall terms, in relation to its opposition to genuine working class rule – and so are able to criticise Mandel's standpoint that the Yugoslav and Chinese bureaucracy are centrist. They are also able to reject Mandel's view of the USSR as semi-socialism, and the plan as a progressive expression of this development.

In other words, Workers Power attempts to overcome all the past opportunist formulations of the degenerated workers state theory and its post-war application. They fail to recognise that its limitations are not primarily the result of its interpretation by fallible theoreticians, but is instead because it can only be justified in terms of some form of emphasis on the progressive role of the overthrow of capitalism 'despite' the counter-revolutionary role of Stalinism. The logical result of the limitations of this standpoint was the view of Joseph Hansen which suggested that Stalinism could carry out proletarian revolution. Workers Power suggest this approach was the result of Hansen's empirical limitations, which may be true, but it was also because of the actual contradictions of the view that the establishment of nationalised property is a form of distorted proletarian revolution. It only took a slight change to this approach, and then the process of bureaucratic change was defined as representing proletarian revolution despite the lack of involvement of the working class. Hansen utilised his pro-Stalinist approach in order to consider that Cuba became a genuine workers state despite the lack of genuine organs of proletarian democracy. Hansen was suggesting that a revolutionary workers state can be created without an authentic party, without soviets and an armed militia. However, Workers Power is wrong to consider that this opportunist standpoint is merely the result of flawed and limited interpretation of an orthodox understanding of the overthrow of capitalism. Instead Hansen's conclusions were the logical result of the view that without the domination of Stalinism it was possible for non-Stalinist forces to nationalise the economy and create an authentic workers state. This standpoint arose because over the years the Fourth International had diluted the understanding that the role of the proletariat was vital for creating a workers state. Instead it seemed reasonable to conclude that the petty-bourgeois July 26th movement could create a healthy workers state.

Workers Power criticise all these various deviations from the theory of the degenerated workers state. This means they do not recognise that the actual problem is with this very approach. The understanding that the bureaucracy can overthrow capitalism and establish some form of workers state was bound to result in opportunist interpretations that projected a progressive role onto Stalinism. Consequently, the only principled approach was to suggest that the creation of a nationalised economy by Stalinism did not result in some type of workers state, and instead led to the development of a reactionary social formation in which nationalised property became the basis to exploit the working class. Instead of this conclusion Workers Power dedicate themselves to what they consider is the most definitive and principled version of the degenerated workers state theory.

Ironically they reject supporting the most principled version of this theory, which is the perspective of structural assimilation. They define this approach on the following manner: “The theory of structural assimilation hold that the creation of workers states in Eastern Europe, Indochina and Cuba were, in essence the result of assimilation of these societies into the USSR. For the theorists of structural assimilation – most notably in the recent period, Tim Wohlforth – the process of the creation of new workers states has ultimately been the process of the extension of the process relations established by Russia.”(23) The reason that this theory is principled is that it establishes that it would be very difficult to create degenerated workers states without the role of the USSR. In this context they are the counter-revolutionary extensions of the importance of the USSR. Workers Power argues that it is opportunist for Wolfforth to suggest that the process of the creation of a bureaucratic workers state occurs by the purging of the bourgeois state rather than its smashing. They argue that it is reformist to imply that nationalisation of the economy, together with the role of a changed bourgeois state, results in the overthrow of capitalism. But the point that Wohlforth is making is that the importance of the USSR means that this counter-revolutionary process can occur under the supervision of the Soviet bureaucracy. Indeed Workers Power outline this point: “Hence it is the Kremlin bureaucracy, based upon the property relations established by a workers revolution, that is laying hold of these state machines and using them as a means of transformation of bourgeois states into workers states through a process of purgation.”(24)

What Workers Power ultimately accepts is that this theory of structural assimilation is the most explanatory version of the degenerated workers states theory because it establishes that this development would not occur without the role of the USSR and the extension of its social importance via the extension of nationalised property. Furthermore, the counter-revolutionary role of the USSR means the process of change must be reactionary and elitist. However the principled character of this theory means it can become any important aspect of the standpoint of bureaucratic collectivism when explaining the developments in the post-war period Workers Power are correct to suggest that Wohlforth has difficulty explaining the independent development of Stalinism in countries like Yugoslavia and China. Nevertheless their differences with him seem unimportant, and it is possible to reconcile their two approaches without any great modification of their basic views. Indeed, the position of Workers Power would be strengthened if it was connected more consistently with the theory of structural assimilation.

Indeed the modified approach of Workers Power accepts that in the period of dual power between the bourgeoisie and Stalinism, the character of the state was bourgeois, even if it was dominated by Stalinism. Capitalism was still upheld. The process of counter-revolutionary change is described in terms that are compatible with the standpoint of Wohlforth: “The programme of such a bureaucratic workers government was not workers revolution and the building of a semi-state destined to wither away when its functions had been fulfilled, but bureaucratic expropriation to create a copy of the Soviet Union as a degenerated workers state.”(25) Hence because the state was not transformed in a progressive manner it must remain some type of bourgeois state, even though it did not defend the continuation of capitalism. Thus, it was logical for Workers Power to accept that Stalinism re-built the bourgeois state in the immediate post-war period, and had not been smashed, and this state was utilised to introduce the domination of nationalised property forms. This means their concluding remarks is compatible with approach of Wohlforth: “Instead, the apparatus of a bourgeois state, whose personnel had been purged of those suspected of continued loyalty to the former ruling class and were now organised politically by a party modelled on that of the Soviet Union, oversaw an economy and society that corresponded in all essentials to that of the Soviet Union itself.”(26)

This standpoint is virtually identical to that of Wohlforth, but Workers Power cannot admit this similarity because they regard themselves as the only guardians of principled Trotskyism. This is a sectarian posture, and denies the contribution that those outside of their ranks have made to the task of understanding Stalinism. (Wohlforth himself was to improve his theory by connecting it to the understanding of bureaucratic collectivism.) Worker Power were also to try and deny that in the first version of their approach they had a perspective that suggested it was possible for the Stalinist bureaucracy to smash the bourgeois state. This was obviously an opportunist formulation that denied the later principled understanding that it was only the working class that could create a situation in which the bourgeois state was smashed. However, this error of Workers Power indicated that they were not infallible and could make mistakes. This mistake was not openly admitted, but instead an appendix on the state was added to the second version of the Degenerated Revolution book. Ironically, in this appendix it was admitted that the most principled alternative to their error was to support the approach of Wohlforth. But this acceptance of his standpoint was obscured by defining his trajectory as reformist. This understanding represents a caricature concerning the good work that he contributed to the development of Trotskyism.

THE SECOND PART OF THE DEGENERATED REVOLUTION BOOK

The second half of the Workers Power book begins with a discussion of the unrest in Eastern Europe between the early 1950's to 1980. This is not controversial until it criticises the aim of self-management of the factories in Poland by Solidarity as representing a programme for the restoration of capitalism: “In April 1981, representatives of 17 key factories met to establish a “network” for self-management. Such decentralisation and the local plant initiatives could only lead in one direction, the introduction of the market and foreign trade, as the only way to turn the surplus product into money for re-investment and wages. This would inevitably lead to competition between the enterprises and the need to depress wages. As with co-operatives in the west, the workers would start to exploit themselves.”(27) This is a rigid and pessimistic view concerning the attempt of the workers to end the bureaucratic control of the nationalised economy, and instead introduce workers control. The point is that de-centralisation based on the standpoint of workers democracy was a progressive aspiration expressing an alternative to the extraction of a surplus from the workers by the elite. It was not this programme that promoted the introduction of capitalism into Poland, but instead the accommodation of the Solidarity leadership to the ideology of the imperialist powers, and the view that Stalinism could only be replaced with capitalism. If genuine workers co-operatives had been established they could have become the basis of an alternative conception of society based on the organisation of production by the workers. This would have been the form of the development of workers control. The right wing of Solidarity accepted the call of the Catholic Church for a policy of self-restraint. This ensured that Stalinism was not overthrown by mass struggle. Over a period of time Solidarity became a political party that aimed to achieve bourgeois democracy. This meant its ability to represent a working class that had aspirations of socialism from below was undermined. The movement was also based on an ideology of anti-communism which meant the aim of genuine socialism was never clearly articulated. However, in a spontaneous manner, the militancy of the trade union, combined with demands for workers control, did represent the potential for authentic socialism.

The book establishes in detail the increasing inefficiencies of the bureaucratic system of planning, and how the problem of economic failure would result in pressure for the restoration of capitalism. It is outlined how the centralised economy lacked the impetus of the market in order to promote the development of the productive forces. But what is omitted is that a central contradiction of the economy was the attempt to extract a surplus from the producers in relation to the inefficient and inept role of the plant managers. The result was a lack of consumption goods that could have motivated the workers to be more diligent and productive. Hence the aims of the plan were only met in inadequate terms, and so the surplus was extracted in increasingly limited manner. However, the system was upheld by the foreign policy successes of the mid 1970's. The ability to challenge the power of American imperialism in disputed areas means that the system of bureaucratic collectivism could promote an ideology of strength and stability. But the process of change was only delayed.

The increasingly antiquated character of the economy meant that under the Gorbachev leadership the demand for reforms increased. He envisaged a limited role for the market in order to promote efficiency, and also introduced political measures of democratisation that led to undermining the single party system and the domination of the CPSU. Gorbachev intended to follow Khruschev in becoming a reforming leader, and in that manner defend the integrity and viability of the system. However, Workers Power were right to describe this process of change as going beyond the limits wanted by Gorbachev in terms of the development of mass movements aiming for an end to the domination of the CPSU. The pro-market economic measures were a failure because only the introduction of genuine workers democracy could bring about an increase in productivity. However, what resulted was increased support with the bureaucracy for the introduction of capitalism. Workers Power consider that a law of March 1990 effectively introduced capitalism because it led to the widespread acceptance of private ownership of the means of production.(28) However, this does not explain the fact that the CPSU under Gorbachev was not generally committed to capitalism and instead advocated market socialism. He became President in order to establish his political power in order to try and uphold the present system. But the increasing economic crisis meant that Gorbachev's ability to introduce measures in order to save the system became increasingly undermined. He became known for indecision and seemed to lack any coherent policy. The initiative was with people like Yeltsin, who explicitly wanted the restoration of capitalism.

Workers Power describe the various events in this process of change adequately, but they possibly underestimated the fact that Gorbachev was someone who wanted to reform the system, and improve it in terms of increasing economic efficiency, which was connected to introducing measures of democracy. He was still ideologically committed to the leading role of the CPSU, but in terms of rejecting some of the traditional dogmas, such as the aim of world socialism. Instead he was for an acceptance of capitalism as part of the heritage of the West, but he believed that socialism was part of the tradition of the USSR. This meant he accepted the changes in Eastern Europe, and even critically welcomed them as a vindication of his own approach. Gorbachev basically supported a policy of a return to Lenin, but did not know how to realise this. He rejected many aspects of the past, such as the regime of Stalin, but the problem he had was that the attempt to reform society was unravelling and instead acquiring the dynamics of the restoration of capitalism. The attempt to uphold market socialism became untenable in these circumstances, and instead the momentum was with the forces of capitalism.

Workers Power describes eloquently the process of bourgeois restoration in Eastern Europe. They make the valid point that this restoration was not inevitable, and the precedent was established by Solidarity in Poland which won an impressive election in 1989 on the basis of a programme of support for capitalism. Hence the potential for the working class to intervene was undermined, and instead various bourgeois parties emerged to dominate the political process. It also has to be emphasised that the aim of national independence from the USSR became associated with the aim of restoration of capitalism and the rejection of socialism. Only in Romania was the National Salvation Front able to establish power in traditional terms, and this did not last for long. Furthermore, the regressive ideological effect of Stalinism was to discredit the aim of socialism, which was associated with the role of single party rule. In these conditions it was difficult for a genuine revolutionary Marxism to emerge. But at various moments there was the possibility that East Germany would not unify with the West, and instead would promote a type of democratic socialism based on the civil liberty groups. These groups were undermined by the conscious decision of the major politicians of West Germany to promote a policy of one East German mark for one West German mark. This opportunist policy persuaded the East German people to join the West. In other words, there was a conscious decision of the imperialist powers to assist the policy of defining the national independence of the East in terms of capitalism. The small forces for progress and democratic socialism were swept aside by this development.

One important development that opposed the impetus for capitalist restoration in the USSR was the demand of the miners in 1990 for workers co-operatives. However, Workers Power rejects this demand as expressing the logic of capitalist restoration. (29) This is another example of their dogmatic thinking. Instead if this demand had become popular with other groups of workers it could have represented an alternative to the increasing momentum for capitalist restoration within the USSR. The point is that workers co-operatives are not an alternative to genuine workers control and instead could represent its form. What is important and progressive is that the miners, the vanguard of the working class, were making this demand. At a very late stage in the degeneration of bureaucratic socialism it could have represented a progressive alternative. This point is not recognised by Workers Power. Instead their conception of workers control is defined by strict programmatic integrity, and so they become indifferent to what the working class itself has raised as its articulation of the policy of industrial democracy.

Workers Power describes quite effectively the events of the coup in August 1991 in the USSR. They outline how a coup was staged in order to maintain the integrity of the state but this led to an opposition led by Yeltsin. It was principled to support the principle of democratic rights, but to reject the restorationist programme of Yeltsin. The coup failed, and Yeltsin took power. He introduced many reactionary measures in order to restore capitalism, and they led to a dramatic decline in the living standards of the people. The working class had become disorientated, and was weakened by factory closures, so it was unable to develop resistance to these measures. Workers Power claims that the forces of Trotskyism did not represent a principled leadership that could lead struggles against restoration. But it also has to be recognised that Yeltsin was attempting to weaken the working class in order to establish the conditions necessary for the profit making of the oligarchs who developed to dominate the economy. However, the corruption of the Yeltsin era meant that it was ultimately unsuitable for the promotion of capitalism, and so the situation led to the creation of more effective Bonapartist control.

Workers Power outlines in impressive detail the changes within China. They suggest that the introduction of economic reforms in the late 1970's, and land reform which led to private ownership of agriculture, weakened the planned economy, but did not yet mean the restoration of capitalism. But the unrest in 1989, with the occupation of Tiananmen Square led to the decision to introduce capitalism. However, Workers Power does not establish the reason for this decision; it was in order to justify low wage, non-union industrial enterprises which could be controlled by a new layer of employers. The party could maintain strict political control. The point is that the planned economy of the 1970's was in crisis because of the political upheaval of the past, and so it became increasingly necessary to introduce the only economic system that could generate a higher level of profits. This was capitalism. The factories would also absorb surplus labour from the farms in the rural areas, and in this manner a potential expansion of the labour force would provide extra workers in order to promote capital accumulation. But it is also necessary to suggest that these developments were implicit in the failed voluntarism since the Great Leap Forwards period. The era of self-sufficiency could only result in economic problems and an increasing inability to promote a surplus. Hence a layer of party leaders would emerge who were committed to economic reforms. This led to changes in the later 1970's, which became generalised because of the political unrest of 1989. The Communist Party could only stay in power with the introduction of capitalism, and its connected imposition of strict labour discipline. This meant the intensified exploitation of the working class meant they were less likely to rebel and represent a challenge to the power of the Communist party.

Initially Workers Power described the 1992 government the USSR as an expression of a moribund workers state. This viewpoint came to be absurd given that it was obvious that the planned economy of Stalinism was being undermined rather than maintained in any manner. Hence they utilised their book in order to revise this definition and to describe the government of Russia as restorationist. This is more accurate and meant they fully recognised the importance of the changes in 1991. The 'Degenerated Revolution' confirms that empirical reality does not correspond to any notion of the moribund workers state. This theory would imply that in some inadequate manner the post-Stalinist elite were in some manner still defending nationalised property. But the empirical information indicates that Yeltsin's government was intent on privatisation of the economy, and the restoration of private ownership of the means of production. Hence the government was consciously pro-capitalist and the era of the 'degenerated worker state' was over in terms of their own definition of this social formation. It is also necessary to recognise that the USSR could no longer be bureaucratic collectivist because surplus extraction was no longer based on the importance of a nationalised economy.

THE PROGRAMME OF POLITICAL REVOLUTION

Workers Power outlines in their book the programme of political revolution they defended in 1989. Their dependency on Wohlforth's theory of structural assimilation is immediately indicated when it is outlined that: “The victory of the USSR over German imperialism and the survival of the decisive economic conquest of the October revolution were the precondition for the creation of a series of degenerated workers states. They allowed the defeat and overthrow of a number of weakened capitalist classes.”(30) However, in a contradictory manner they define the primary agency of the process of counter-revolutionary change as the role of the bureaucratic workers government. Hence the logic of their standpoint is that this type of workers government can overthrow capitalism under the supervision of the USSR. This standpoint challenges the view that this is a counter-revolutionary process. The only manner in which concessions to the understanding that this process is effectively progressive can be rejected is to argue that the role of the bureaucracy is to create a nationalised economy based on the exploitation of the working class. Instead of this approach, Workers Power describes the character of the nationalised economy as effectively inefficient, unbalanced and incoherent. But these aspects are surface manifestations of the fact that the domination of the economy by the bureaucracy is a flawed basis to exploit labour. The process of planning can only be more efficient if it was based on the democracy of the producers.

The programme often utilises dogmatic language in order to describe the political trajectory of the various factions within the bureaucracy. Gorbachev is described as supporting 'capitalist methods'(31) What does this mean? Is Gorbachev a supporter of the restoration of capitalism? It would be more precise to recognise that Gorbachev tried to introduce reforms in order to maintain the legitimacy of bureaucratic socialism. So, whilst his measures may have promoted capitalism this was an unintended consequence of his actions. What was obvious is that Yeltsin was the major force for the restoration of capitalism. This had to be established if a programme written in 1989 was to be effective.

The actual list of demands is generally supportable, but there is confusion concerning the question of workers control. On the one hand it is argued that: “Workers Committees, elected and recallable by mass meetings, must fight to impose workers control on every aspect in the plant, including the right to strike and the right to veto management plans.”(32) This comment suggests workers control begins and is developed in local and factory wide terms. The implication is that from these decentralised conditions it will begin to develop over the country. But it is then argued that: 'restorationist forces attempt to divert working class struggle away from the state by encouraging workers to demand “self-management” of their enterprises, free from the bureaucratic interference of the central plan. This doctrine of “market socialism” is a reactionary diversion designed to strengthen the most narrow form of factory isolationism, to divide the proletariat as a class force and to break up the central plan itself.”(33) This comment implies that there is a 'perfect' nationwide type of workers control which is able to overcome the limitations of localism and illusions in flawed conceptions of socialism. But the struggle for workers control will always have ideological issues, and cannot but be originally generated from a local starting point. Hence Workers Power advocates a 'perfect' and flawless conception of workers control that is without imperfections and corresponds to their programmatic demands. This is elitism and represents an unreal grasp of what happens in the actual class struggle.

The programme also calls for Soviet democracy without any commitment to a rejection of single party rule and the necessity of multi-party democracy. Instead in an ambiguous manner the programme indicates that it is against the leading role of the Stalinist party. But this possibility depended on the development of a multi-party system that is based on the diversity of political organisations. But Workers Power cannot make any commitment to this demand. Hence the result is that they are for Soviet democracy, and yet do not elaborate what this could mean in terms of the flourishing of the political system. They do not recognise that the end of Stalinism requires the alternative of a multi-party system. This does not necessarily mean the justification of the restoration of capitalism. Instead the working class has to struggle in order to connect a principled form of democracy with the aim of genuine socialism. The problem was that this aim was discredited by the very system of bureaucratic socialism.

THEORETICAL ISSUES

In order to justify their position, the followers of Cliff's theory of state capitalism denied the restoration of capitalism in Eastern Europe, and instead argued that the process of change represented a move to the side, and the replacement of state capitalism by the domination of multinational capital: “For Harman, therefore, 1989 represented the bureaucracy summing up support from the masses and carrying out the equivalent of a capitalist political revolution, that is a revolution within capitalism, to bring itself into line with the new multinational capitalism and allow the old state capitalism to be discarded. The destruction of the plan and the denationalisation of the means of production was, thus, not a giant leap backward but a step to one side.”(34) This comment indicates the problems with both state capitalist and degenerated workers state theories. The first underestimates the extent of the change in order to suggest that one type of capitalism had been replaced by another. The second defines events as ultimately counter-revolutionary because a degenerated workers state was replaced by capitalism. However, what actually occurred was a political revolution against Stalinism which led to the re-introduction of capitalism. The nationalised economy of bureaucratic collectivism was replaced by a bourgeois state which promoted the development of capitalism. The fact that democracy was advanced in many situations was politically progressive, but the fact that this occurred alongside the generation of capitalism was problematic. Ultimately one reactionary social formation was replaced with another.

Workers Power explain the various contradictions in Cliff's theory of state capitalism, and why it was unable to explain the process of social upheaval in Eastern Europe and the USSR, but this does not mean that the standpoint of the degenerated workers state was more explanatory. If the degenerated workers state was in the last analysis progressive, why did nobody act to defend the nationalised economy against the possibility of counter-revolution? Was the working class simply expressing a low level of class consciousness, or was it more logical to support the introduction of democracy combined with the aspiration for an improvement in material standards? This aspect has to be connected to the fact that people welcomed national independence in Eastern Europe and the various republics of the USSR. The point is the Stalinist system was historically exhausted, and the momentum in favour of bourgeois democracy was an indication of its reactionary character.

Workers Power also outlines the limitations of the approach of Mandel, whose accommodation to the bureaucracy meant he could not anticipate the process of the restoration of capitalism. But his standpoint was connected to the approach that considered the nationalised economy within the degenerated workers state as ultimately progressive. Workers Power try to gloss over this issue by suggesting that the period of the development of planning under the bureaucracy was replaced by a period of increasing economic crisis. This situation represented the dynamics for change to capitalism: “Although the bureaucracy rested on the foundations established by a healthy workers state and had extended them in the five year plans, it had no unbreakable historical allegiance to the state property relations. Under conditions of crisis, it would attempt to break up and quite simply seize hold of that property.”(35) This comment is a simplification of what occurred. In Eastern Europe the people mobilised against Stalinism and brought about the end of that system. Whilst in the USSR the system entered into profound political crisis, and this situation led to splits within the ruling elite. The outcome of that turbulent development was the demise of the economic and political system. The Stalinist system was brought down by the influence of its internal contradictions. This was because it could not develop the productive forces in a manner superior to capitalism. Gorbachev had tried to save the system and failed. Mass popular revolt helped to bring an end to Stalinism.

SOME COMMENTS BY TROTSKY

The following comment by Trotsky enables us to understand the response of orthodox Trotskyists to events in post-war Eastern Europe. In: 'In Defence of Marxism' he comments: “The expropriation of the property owners in Poland as in Finland is a progressive factor in and of itself. The bureaucratic methods of the Kremlin occupy the very same place in this process as did the dynastic methods of Hohenzollern - in the unification of Germany. Whatever we are confronted with the necessity of choosing between the defence of reactionary property forms through reactionary measures and the introduction of progressive property forms through bureaucratic measures, we do not all place both sides on the same plane, but choose the lesser evil. In this there is no more “capitulation” to Stalinism than there was capitulation to Hohenzollern in the policy of Marx and Engels.”(36) Thus if this approach is applied to Eastern Europe the process of nationalisation by Stalinism would be regarded as a progressive measure carried out by bureaucratic or reactionary methods. This standpoint is effectively similar to the approach of Workers Power. But whilst Trotsky argues that his approach does not result in critical support for Stalinism, this standpoint would seem to be the logical result. If a bureaucratic apparatus is carrying out a progressive measure it would seem logical to apply critical support for this action. We may call for improvements, and the involvement of the working people in what is happening, but in the last analysis the overthrow of capitalism is occurring, and so this measure should be supported. It then becomes logical to critically support Stalinism which is acting to bring about the demise of capitalism, because the result is the formation of a degenerated workers state which can be considered to be more progressive than capitalism. The very logic of Trotsky's approach is to provide critical support for Stalinism, even if this is formally denied. This situation is also the dilemma confronting Workers Power, and which they also cannot resolve in a more principled manner.

The only basis in which this issue can be resolved without accommodating to Stalinism is to suggest that its overthrow of capitalist private property and establishment of a nationalised economy is not a progressive measure. Instead this action can only result in the development of a new form of exploitation of the producers. The only progressive action in this context is genuine proletarian revolution which can result in the liberation of society in terms of the end of all forms of exploitation. Instead of this conclusion, Trotsky projects onto Stalinism the ability to overthrow capitalism in a bureaucratic manner, but which is progressive in content. This implies in some sense the situation of society has improved. But this does development not actually occur in terms of the fact that a new form of exploitation has been introduced. Of course, more limited improvements within society can occur, as in Cuba.

However, the above criticism of Trotsky would seem to be overcome by the following comment that contends that the bureaucratic overthrow of capitalism has nothing to do with genuine proletarian revolution: “The statification of the means of production, is, as we said, a progressive measure. But its progressiveness is relative; its specific weight depends on the sum total of all the other factors. Thus we must first and foremost establish that the extension of the territory dominated by the bureaucratic aristocracy and parasitism, cloaked by “socialist” measures, can augment the prestige of the Kremlin, engender illusions concerning the possibility of replacing the proletarian revolution by bureaucratic manoeuvres, and so on. This evil by far outweighs the progressive content of Stalinist reforms in Poland. In order that nationalized property in the occupied areas, as well as in the USSR, becomes a basis for genuinely progressive, that is to say socialist development, it is necessary to overthrow the Moscow bureaucracy.”(37) This standpoint is illogical. If something is progressive why should it be improved? The only apparent answer to this paradox is to suggest that the nationalisation of the economy by Stalinism is both progressive and reactionary. This may solve the dilemma at the level of theory, but it is not tenable in terms of practice. In practice the nationalisation of the economy by Stalinism is not progressive because it has not led to the genuine development of industrial democracy. Instead the Stalinists control and dominate the process of nationalisation. For nationalisation to be truly progressive Stalinism has to be overthrown, as Trotsky admits. Indeed, Trotsky cannot outline what is progressive about nationalisation carried out by Stalinism, and yet he insists that it has a limited progressive character. But in fact what has occurred in Eastern Poland is the imposition of intense national oppression and many Polish people have been sent to the slave camps. Nationalisation cannot have a progressive character in this context. But primarily the occupation of Eastern Poland has occurred in terms of collaboration with the Nazi regime in Germany. Hence the following conclusion of Trotsky is more logical: “The primary political criterion for us is not the transformation of property relations in this or another area, however important these may be in themselves, but rather the change in consciousness of the world proletariat, the raising of their capacity for defending former conquests and accomplishing new ones. From this one, and the only decisive standpoint, the politics of Moscow taken as a whole, completely retains its reactionary character and remains the chief obstacle on the road to world revolution.”(38)

According to this comment the progressive aspect of nationalisation is effectively formal because the working class has not been involved in its promotion, and the goal of international revolution has not in any sense been advanced. This understanding is the only tenable manner in which a principled conception of progressiveness can be developed. However, it would be more theoretically consistent to reject the any relationship of the concept of progressiveness with the role of Stalinism, and instead indicate that its nationalisation of the economy is in order not to enhance planning, but instead is in order to generate domination of the relations of production. Trotsky comes close to accepting the theory of bureaucratic collectivism, but he ultimately rejects it because he associates it with political pessimism, or the aftermath of a catastrophic defeat for the international working class. He comes to these extreme conclusions because he has not carried out a serious study of the internal social relations of the Soviet economy, and instead indulges illusions in the historical importance of the nationalised production. He could not accept that the October revolution had been defeated by the bureaucracy, and instead in a reactionary manner he considered that the bureaucracy defends its social conquests by means of the expansion of nationalised property. Instead what this development actually meant was that the Stalinist bureaucracy was expanding its reactionary social formation by the methods of the overthrow of capitalism. There was no sense in which the proletarian revolution was being carried out in these terms, and instead the extension of the exploitation of the proletariat of Eastern Europe was being carried out.

Hence the projection of a progressive role onto Stalinism was the outcome of the limitations of the theory of the degenerated workers state. Workers Power has made an impressive attempt to overcome these tensions in their interpretation of this theory. In an unintended manner they have become supporters of Wohlforth's theory of structural assimilation. This was a logical, if reluctant conclusion because only this interpretation of Trotsky's views provides a principled version. Indeed, Workers Power has had to reject the view that the bureaucracy smashed the bourgeois state, and the perspective of the moribund workers state, in order to ensure that the opportunist formulations in their theory were overcome. However, these refinements were not sufficient because the only consistent and principled approach is to reject the view that Stalinism has some relationship to a progressive form of nationalisation. This approach results in abstraction and an inability to consider the nationalised economy beyond surface appearances. In order to understand the character of Stalinist nationalisation it is necessary to recognise the importance of the exploitation of labour. This means it cannot promote a progressive overthrow of capitalism. Only the act of proletarian revolution can result in the equation of nationalisation with the aim of human emancipation. Unless this act occurs nationalisation can take the form of the development of the subordination of the produces within the relations of production. This is the lesson that Workers Power cannot accept, and so their impressive work is ultimately inconsistent and connected to the theoretical contradictions of the theory of the degenerated workers state.

THE POLITICAL ECONOMY OF STALINISM

It is argued by Paul Gregory that the Stalinists considered that the creation of a planned economy was to be created at the expense of the peasantry, particularly the kulaks. (39) They believed that with the transformation of agriculture it would be possible to create a surplus that would enable the modernisation of the economy to occur. Stalin was in favour of massive or heroic investment plans, in order to promote capital accumulation. However this perspective had its limitations: “The only clear constraint on the investment-at-any-cost strategy is that if not enough is left over for consumption, a weak or unmotivated labour force could depress growth.”(40) This reason is why at times the interests of consumption are recognised because of the necessity not to undermine work effort. This understanding was based on a recognition that enhanced growth and capital accumulation would be connected to work effort: “In the long run, economic growth would depend on physical and human capital accumulation, but if the Politburo wanted more output right away, it could only be brought about by more effort.”(41) This situation did not mean that any increase in the amount of consumer goods was generous. Instead the situation was still dire because the priority of the Stalinist planners was capital accumulation. Gregory argues that the Stalinists effectively acted in accordance with a fair wage model. If wages were below this perceived level workers would only apply minimum effort, but if at the fair wage level they would provide satisfactory work levels that would contribute to the process of capital accumulation. The aim was not to provide over-generous wages that would undermine capital accumulation, and nor to provide meagre wages that generated a lack of work effort. Instead what would be perceived as a fair wage would enable surplus extraction to occur, and the development of capital accumulation to be realised. (42) If wages are above fair wage levels then the related increases in consumption could be at the expense of capital accumulation. The aim is to provide minimal satisfaction for the workers so that they are motivated to produce despite low levels of consumption. (43)

The contradiction of the system is that the workers will obviously define the fair wage more generously than the Stalinist planners. This creates the problem of unrest and a refusal to work efficiently. Consequently there is a tendency to increase wages in order to realise the ability to sustain high levels of capital accumulation, via satisfactory levels of work effort. “This reduction in investment does not mean that the dictator has become soft on workers, or has changed priorities. The dictator remains consistent in his goal of maximising investment in each period. The loss of effort and output would, however, have left him with no choice but to reduce investment and increase consumption.”(44) Thus there is a genuine class struggle within the relations of production which is centred around the issue of the fair wage and the level of consumption. The bureaucracy has domination and is able to establish its own economic objectives within the process of production. But the workers, despite a lack of effective trade union representation, can resist these priorities and attempt, however unsuccessfully, to impose their own aspirations. Hence, to some extent the ability to increase levels of investment depends on the satisfaction of the workers, which is dependent on whether the fair wage is being implemented: “To make the correct dynamic choices, the dictator must be able to anticipate the effects of investment on economy-wide productivity and worker morale. Substantial increases in investment would be called for when the productivity effort would be substantial. Reduced investment would be called for when the productivity effect is small but worker dissatisfaction would be increased.”(45)

Gregory indicates that the Soviet archives establish that there is a close relation between the conception of the fair wage, levels of consumption, and investment priorities. The initial massive levels of investment in the early 1930's were at the expense of consumption, and so levels of productivity declines. This situation was to some extent overcome by changing the relationship of investment to consumption in later five year plans. Stakhanovism, or preferential treatment for exclusive groups of workers, and forced labour was also utilised in order to enhance the interests of capital accumulation. The constant aim was to keep the general level of the fair wage as low as possible in order to enhance levels of investment and maintain the extraction of a surplus from the working class. By the late 1930's coercive laws were being passed in order to enforce discipline at work. In relation to agriculture the measures taken did not produce a surplus, and instead led to inefficiency and low levels of motivation of the peasants organised in the collective farms.

This analysis is meant to indicate that the Stalinist bureaucracy had become intensely interested in the efficiency of the economy by 1930. Hence they were motivated to extract a surplus from the working class in order to generate high levels of investment and capital accumulation. However, this situation was not an expression of the interests of a capitalist class because the Stalinists were determined to eradicate the supposed competition of the kulaks, and therefore end any vestiges of the private ownership of the means of production in terms of the policy of forced collectivisation. Consequently the aim was to establish a new type of exploitation on the basis of the subordination of the working class within the relations of production, and in terms of the priorities of investment at the expense of consumption. But there was a limit to this process in the sense that the Stalinist planners had to accept the influence of the conception of the fair wage which meant that it was accepted at the policy level that the level of investment could not undermine the interests of consumption beyond a certain level. Thus the aim of the Stalinist planners was to try and enforce a high level of investment without undermining the work effort because wages were lower than the fairer wage. What was necessary to try and establish a fair wage that was compatible with the interests of capital accumulation and yet was acceptable to the workers. This situation rarely occurred, and so the Stalinists had to enforce labour discipline by the utilisation of the methods of coercion. This approach generally failed, and so the levels of output were often below the expectations of the planners. Nevertheless despite these problems, it was possible to generate an adequate level of capital accumulation in order to generally realise the objectives of the planners.

The analysis of Gregory indicates that Trotsky's view that the nationalised economy represented the potential of socialism was an illusion. Instead the workers were exploited within the context of the development of a nationalised economy which was defined by the objectives of the bureaucracy. However, this economy could not be capitalist because all influences of private production were repressed and replaced by the domination of a state bureaucracy. The concept of state capitalism, will be analysed in detail below, but it is problematical because the aim of the bureaucracy was to build socialism at the expense of the interests of capitalism. However, the task of capital accumulation, via the interests of investment in the means of production, was carried out by a new state bureaucracy. Hence this situation had features of capitalism, but it was not capitalism because of the fact that the new ruling class was determined to repress any aspects of the previous economic system. Indeed it could be argued that the one enduring legacy of the October revolution was that the restoration of capitalism would have been considered unacceptable. This aspect did not mean that there was a degenerated workers state because the working class was obviously subordinate within the relations of production and was the object of the interests of a new form of capital accumulation. It was the state bureaucracy which directed the working class in relation to its objectives and aims within the process of production. Hence, it would have been absurd for the working class to be the ruling class given that its interests were dominated by the aims of the new ruling class within production and general society. It is also abstract to deny the close relationship of the bureaucracy to the role of production, and so defining it as a caste concerned with privileges from the realm of distribution is illusory. Instead it has an intensely close relationship the role of production and the objectives of capital accumulation. The nationalised economy is the arena for a new exploitative mode of production. This is why the subordinated working class cannot be the ruling class.

CLIFF'S THEORY OF STATE CAPITALISM

Tony Cliff is one of the major theorists of the view that the Soviet Union became state capitalist. His starting point is that the workers state of Lenin and Trotsky underwent a profound degeneration and so was no longer in any sense accountable to the proletariat. This development prepared the political basis for the economic transformation of the USSR into a state capitalist entity. The working class no longer had any possibility of defending its economic interests, and instead the relations of production expressed the interests of the state bureaucracy. This meant the character of wages was often based on the intense exploitation of the piece work system, and labour was subject to the draconian discipline of internal passports and the increasing inability to change jobs. The repressive economic system was reinforced by the widespread system of gulag slave labour, and this labour was utilised for emergency projects such as massive construction tasks. Since the introduction of planning the requirements of accumulation have precedence over that of consumption. Furthermore, the prices of consumer goods are subject to a turnover tax which contributes to the income of the state and enhances its ability to invest. In other words the emphasis on the importance of accumulation has meant the development of poverty within the working class: “The situation changed radically with the inauguration of the plan. From then on accumulation leaped ahead tremendously, whilst the standard of living of masses not only lagged far behind, but even declined absolutely compared with 1928.”(46)

Cliff outlines how the inferior standard of living is most evident in terms of the terrible housing conditions. He also indicates that the economy increasingly became subordinated to the requirements of military production. Hence given the priorities of the planners it is not surprising that the standard of living of the Soviet working class is below that of the major capitalist countries. He also outlines aspects of the exploitation of the peasants in the collective farms. Furthermore, the egalitarian objectives of the original Soviet regime have been replaced by the lucrative incomes of the party bureaucracy, factory managers, and army generals, and higher education has become an expression of the privileges of the rich. The rigid centralisation of the economy means that the targets of the plan are often not realised, and have to be revised, and the economic situation is characterised by mismanagement of resources and labour. Hence the economy does not express the following criteria of a socialist economy: “From a socialist standpoint, however, the decisive criterion is not the growth of production per se, but the social relations accompanying the tremendous development of the productive forces. Is it or is it not accompanied by an improvement in the economic position of the workers, by an increase in their political power, by a strengthening of democracy, a reduction of economic and social inequality, and a decline of state coercion? Is the industrial development planned, and if so, planned by whom, and in whose interests? These are the basic socialist criteria for economic advance.”(47)

Cliff has outlined important empirical reasons why the economy and society of the USSR is not socialist, or even a distorted form of socialism. He has established that the emerging social formation is based on the exploitation of labour, but crucially he has not outlined why this situation represents state capitalism. Instead he has provided a reasonable argument as to why the USSR could represent a new form of exploitation based on the importance of the nationalised industry and collectivised agriculture. What his empirical study indicates is that the new relations of production are based on the subordination of labour within the organisation of the economy, and that this means society cannot represent in any meaningful sense an expression of socialism. The character of socialism is based on some form of accountability of the economy and the state to the working class. Cliff outlines how this aspect was ended by the introduction of planning in 1929. This situation meant the generation of the systematic ability to exploit labour for the purposes of capital accumulation was established. The interests of the bureaucracy and the working class become distinct and opposed. However this reasoning does not logically indicate that this situation was an expression of state capitalism. In order to justify this claim, Cliff has to provide a more complex political economic argument.

Cliff also utilises Marx's conception of a commune state in order to try and indicate that the Stalinist social formation does not share its attributes. He maintains that a commune state is based on the highest expression of democracy, accountability and participation. One aspect of the commune state is the people’s militia. The intention to create a militia after the October revolution was undermined by the acute military situation created by the civil war, and so a standing army was created. However, it was initially organised on the basis of democratic relations between officers and the rank and file soldiers. This situation was ended by the 1930's and a centralised army was created. The political system was originally based on the importance of the Soviets. These institutions have become formal and without power. Elections to the Soviets are a farce. Democracy within the party has ended, and the party has become a tame instrument of Stalin and any remnants of the role of the Old Bolsheviks have been ended with the purges. The state has become a repressive organ because of its role in tackling the class antagonisms within society in terms of the application of coercion.

Hence in political terms what were considered to be expedients generated by an emergency situation have become an expression of features of an increasingly coercive state apparatus. This has meant the party has become bureaucratised, and its dominant role within the state is utilised in order to ensure the subordinated role of labour within the production process. This means that the necessary role of the state in order to ensure the self-discipline of labour has become its opposite: “In the transition period it will be the outcome of the unity of two elements – consciousness and coercion. The state institutions will be the organisation of the masses as a conscious factor. Collective ownership of the means of production by the workers, i.e., the ownership of the means of production by the workers will be the basis for the conscious element in labour discipline. At the same time the working class as a collective, through its institutions – soviets, trade unions etc., - will appear as a coercive power as regards the disciplining of individual workers in production.”(48) But what happened was that the state utilised its important political power in order to impose itself onto the activity of the factory committees and trade unions within production. Hence the state became the major expression of how the economy should be organised, and the influence of workers control was ended. Furthermore, the technicians and bourgeois supervisors were no longer the transmission of the aims of the working class within production, and instead expressed the imperatives of the state. This situation was bringing about an end to the subordination of accumulation to the interests of the working class. This process was completed with the development of accumulation similar to that which occurs under capitalism: “Accumulation for accumulation's sake under capitalism is the result of two factors: one, the separation of the workers from the means of production, the other, the existence of competition between the capitalists, whether individual, monopolistic or state capitalists. Socialism abolishes both these aspects of the relations of production. Workers control over production and the abolition of national boundaries – these are the two conditions for the full subordination of accumulation to consumption. Under such conditions society will accumulate in order to consume.”(49)

However, Cliff has still not proved coherently the actuality of the development of state capitalism. Instead he has shown that a bureaucratic and unaccountable state will act in an increasingly anti-socialist manner and undermine the influence of workers control of production, and instead promote the imperatives of accumulation over consumption. Hence he is still outlining the process by which a new exploitative social formation is being promoted. The state is becoming the instrument of a ruling class that aspires to subordinate labour within the emerging relations of production. It is true that this situation could be an expression of state capitalism, but what is occurring can also be applied to the formation of a new bureaucratic exploitative system. However what is important in his analysis is that he has outlined how the formation of an elite state will begin to promote a type of accumulation that is against the interests of the working class. If the working class was able to impose its political control it would generate a type of accumulation that emphasised the importance of consumption rather than accumulation.

Thus Cliff has outlined the differences between a socialist economy based on the priorities of the working class and an economy dominated by the priorities of a bureaucratic elite. For a limited period of time this latter economy can be defined as a degenerated workers state because it is in some sense still accountable to the working class. But the Stalinist counter-revolution led to the imposition of the primacy of accumulation over consumption and this enabled the development of a ruling class based on the extraction of a surplus from the working class. Before this time, in the period of War Communism, and the New Economic Policy, it could be argued that the priorities of the party had some level of popular acceptance within the working class. However, the modernisation of Stalin was not based on the importance of mass support and instead was based on what would be required in order to industrialise society in the shortest possible time. For example, Stalin was not reluctant to utilise repression against the peasantry, and impose low wages on the working class. However, these aspects do not prove Cliff's perspective of state capitalism, instead the party elite had become a new ruling class based on the domination of nationalised property.

However, Cliff suggests that the process of forced collectivisation did result in state capitalism: “Alternatively, the conflict between industry and agriculture might have been resolved by rapid industrialisation based on 'primitive accumulation' – by expropriating the peasants and forcing them into large mechanised farms, thus releasing labour power for industry and making agricultural surpluses available for the urban population. Such a method of 'primitive accumulation' must also, ultimately lead to the subordination of industrial workers to the needs of capital accumulation. It is the path of the submersion of agricultural production in a state capitalist economy.”(50) This approach is logical, but its state capitalist conclusion has still to be proved because it is also possible to suggest that this development could occur under a new form of exploitative regime. What has been outlined by Cliff is that the bureaucratic elite under Stalin have rejected the socialist approach of trying to establish correspondence between industry and agriculture in terms of low prices for the goods of the former sector in order to encourage the production of grain for exchange by the peasantry. Instead of this increasing co-operation and reconciliation of industry and agriculture, Stalin envisages the utilisation of coercion in order to impose modernisation via the forced creation of collective farms. The apparent imperative of the aim of accumulation has led to indifference about the importance of the worker-peasant alliance.

Cliff establishes that the economy of a workers state may uphold the unequal character of distribution, so some have a higher remuneration than others, and the relations of production still express differences between mental and manual labour, such as the important role of the supervisors. But the overall aim is to promote equality based on the influence of workers control of production. This development is not occurring under Stalinism. Instead the widening inequality indicates that exploitation is being promoted within the relations of production. Hence the economy is being directed in an anti-socialist manner. The question remains as to what this means in terms of the class character of the economy. All that Cliff has been able to establish is that the bureaucracy is primarily interested in the aims of accumulation, and this situation justifies the exploitation of the producers. This type of society cannot be defined as a workers state because this formation utilises the nationalised economy in order to promote equality, and rejects any suggestion of the subordination of the workers to the imperatives of accumulation. Instead accumulation would be based on the standpoint of consumption.

Cliff argues convincingly that because the October revolution did not expand elsewhere, the question as to the class character of the regime would become raised. In other words it was not possible to build a genuine socialist society in the situation of a low level of development of the productive forces. However the conclusion he upholds is that the Soviet regime was confronted with the historical tasks of a national bourgeoisie: “Post-October Russia stood before the historical fulfilment of the historical mission of the bourgeoisie.”(51) The implication was that if international revolution could not occur, the outcome could only be the reproduction in a specific form of the development of capitalism. This dogmatic conclusion ignores the importance of the political struggle by the Left Opposition to uphold the democratic character of the workers state. Only after the defeat of this tendency could Stalin promote Bonapartist ambitions, and so advance a programme of the modernisation of society. Instead of addressing the significance of the defeat of the Left Opposition, Cliff outlines in dogmatic terms that backward Russia would have to undergo, in a specific form, the same type of development as occurred in the process of the generation of capitalism. This ignores the fact that a proletarian revolution has occurred, and has then degenerated and resulted in the Stalinist regime. This regime wants to modernise society, but it rejects the view that this policy would result in a replica of capitalism. Instead its aim is socialism, which ideologically justifies the creation of a bureaucratic ruling class and the exploitation of labour. There is a contradiction between the ideology of socialism and the actual economic effects, but it would be absurd to suggest that bureaucratic socialism would be the effective justification of state capitalism.

Cliff develops his conception of state capitalism because he implies that non-socialist accumulation could have no other character. He argues that the five year plans represented: “It was now, for the first time, that the bureaucracy sought to create a proletariat and to accumulate capital rapidly. In other words, it was now that the bureaucracy sought to realise the historical mission of the bourgeoisie as soon as possible. A quick accumulation of capital on the basis of a low level of production...must put a burdensome pressure on the consumption of the masses, on their standard of living. Under such conditions, the bureaucracy, transformed into a personification of capital, for whom the accumulation of capital is the be-all and end-all, must get rid of all remnants of workers control, must substitute conviction in the labour process by coercion, must atomise must force all social-political life into a totalitarian mould......Thus industrialisation and technical revolution in a agriculture (collectivisation) in a backward country under conditions of siege transforms the bureaucracy from a layer of which is under the direct and indirect pressure and control of the proletariat, into a ruling class, into a manager of....the direction of labour...and so forth.”(52)

But Cliff's description of the bureaucracy as the expression of the personification of the process of capital accumulation is still not sufficient to justify the definition of the development of state capitalism. Instead the specific origins of the October revolution, which has an anti-capitalist ideology, combined with the elitism of the bureaucracy, means that the task of promoting the accumulation of capital means the development of the bureaucracy as a new type of ruling class. Cliff's description of this process of the accumulation of capital by the party elite seems to be essentially accurate. The only problem is the definition that he provides in order to explain the process of transformation. But the contentious issue is that he ignores the specific importance of the origins of the process of accumulation. The bureaucracy does not want to become a capitalist class, and yet it also aspires to modernise society in terms of the promotion of accumulation, or an emphasis of investment in the means of production. Hence the very exploitation of the working class that results from this development is justified as expressing the building of socialism. This is not the ideology of state capitalism. However, Cliff is correct to define the bureaucracy as the personification of accumulation. This is its historical aim, and this means that the conception of a degenerated workers state is illusory. Instead the relationship of the bureaucracy to the process of accumulation means that it becomes a ruling class that exploits labour.

Genuine state capitalism originates as an emergency response to the crisis of monopoly capital, and so is temporary and is dismantled after a period of time. Hence Cliff's conception of a state capitalist system within the USSR is ambitious and illusory. Indeed, Cliff is not describing the development of state capitalism, but is instead outlining the features of a new exploitative system. He is right to suggest that those Marxists who deny the empirical possibility of state capitalism are false. The economies of fascism, and of the UK and the USA in the Second World War, had the attributes of state capitalism. Cliff argues that under state capitalism the law of value does not operate, in the sense that commodity production is under the centralised control of the state, and the worker cannot sell labour power to a private employer. But these aspects are also integral to a bureaucratic exploitative society. Cliff suggests that Bukharin is right to suggest the difference between state capitalism and a proletarian state is that the worker is an object in the former and a subject in the latter. However, this elaboration of what state capitalism does not imply that it is the economic system of the USSR. Instead all that has been proved is that state capitalism can occur, and has been an aspect of the economic history of many capitalist countries.

Cliff contends that: “We can therefore say that the Russian bureaucracy 'owning' as it does the state and controlling the process of accumulation, is the personification of capital in its purest form.”(53) This comment has validity because the domination of the state by the bureaucracy enables it to effectively 'own' the economy and so is able to transform it according to its own objectives, which means promoting the process of accumulation at the expense of the workers and peasants. Furthermore, Cliff is right to argue that this situation is similar to private, or monopoly capital, except that it is the state which promotes accumulation. However the difference is not that between state capitalism and the traditional forms of capitalism. This is because the difference is explained by the awkward fact that the bureaucracy would be discredited if it admitted that what had resulted was state capitalism. Instead it acts to undermine all forms of capitalism, and its domination of the nationalised economy represents a new type of exploitation, which is politically justified as expressing the development of socialism. In contrast, Cliff defines this situation as representing state capitalism because he cannot envisage any other form of accumulation by a reactionary and bureaucratic state. However, he undermines his own view when he describes the situation as expressing bureaucratic state capitalism or the partial negation of capitalism. This description should be applied more precisely to the form of exploitation which is based on the role of a reactionary state that has emerged from a degenerated workers state. Hence what results is a bureaucratic state that promotes the accumulation of capital.

Cliff also contends that the situation in the USSR means: “One cannot therefore speak of exact, general laws of the division of the surplus value between the state and bureaucracy or the distribution of the share of the bureaucracy between the different bureaucrats.”(54) This is correct, but this situation indicates why it is not state capitalism. In a state capitalist economy property still belongs to the private owner, but it is organised and regulated by the activity of the state. In contrast, the economy of the Soviet Union is totally owned and controlled by the state. There is not any effective or large scale private capital. This is why the economy is a negation of both all forms of capitalism and socialism. Instead the state has replaced the capitalist as the organiser of accumulation and exploitation.

Cliff rejects this argument and contends that: “Historical continuity in the case of state capitalism which evolves from monopoly capitalism, is shown in the existence of private property (bonds). Historical continuity in the case of state capitalism which evolves from a workers state that degenerated and died, is shown in the non-existence of private property.”(55) The fact of state capitalism is because according to Cliff this is the only type of society that can advance the development of the productive forces, and bring about the creation of the material conditions for socialism, or: 'the fight against barbarism by barbaric methods'.(56) But this view is actually an illusion. Stalinism, in economic terms represents an inability to organise the productive forces in a rational manner, and instead it results in various types of disorder and illogical expression.(57) Hence the process of accumulation occurs in the most inefficient manner. Only the arms economy is able to correspond to the highest forms of productivity. Hence to define society as state capitalism, and so to imply that it is progressive in its carrying out of economic tasks is an illusion.

Thus Cliff's following view is an illusion which projects a false progressive role onto the Stalinist bureaucracy: “Similarly, in Russia, the Stalinist state did not rise only as a result of the widening abyss between the masses and the bureaucracy.....but also as a direct answer to the needs of the productive forces themselves, as a necessary element of the mode of production.”(58) If we politically applied this economic logic it would mean that we would become apologists for Stalinism. They would be considered to be the expression of the requirements of historical development in terms of the expansion of the productive forces. But Stalinism was reactionary because its imposition of a regime of accumulation was irrational and opposed to the superior socialist development of the productive forces. For example, forced collectivisation led to a massive decline in agricultural production. The utilisation of repression and coercion could not encourage the development of the productive forces, and instead led to an effective decline in economic growth for a number of years. Hence whilst Stalinist personified accumulation this did not negate the fact that genuine socialism was a more rational system for the organisation and administration of production. However, Cliff contradicts his view when he also claims that Stalin was: 'historically superfluous and reactionary'(59) To provide any validity for this comment would mean also suggesting that the Stalin regime was economically regressive, but this would be to undermine Cliff's previous view that it corresponds to the requirements of the productive forces. Hence Cliff's contradictory views are illogical.

However, Cliff is justifying more credible claims when he maintains that the regime represents the process of uniting the political and economic expropriation of the working class. The process of the denial of any political power or influence over the state by the proletariat is identical to its subordination within the emerging relations of production. But this understanding does not result in the regime of state capitalism for the reasons already provided, and instead represents the attempt of the bureaucracy to organise a new regime of accumulation. In order to realise this process an effective counter-revolution was carried out in term of the realisation of a Bonapartist dictatorship and the end of any semblance of soviet and party democracy. Cliff argues that the introduction of the five year plans represents the qualitative change of the counter-revolutionary process. However, he is wrong to suggest that this process was effectively gradual and peaceful, apart from the repressive role of the purges. Instead the introduction of five year plans went alongside the essentially violent upheavals of forced collectivisation. This cataclysmic situation enabled the bureaucracy to consolidate its political and economic power. It could also be argued that the purges began in 1930 with many opposition supporters being sent to the gulag.

Cliff contradicts his implication that the Stalinist bureaucracy was progressive because it was able to develop the productive forces. Instead he argues that this issue has to be assessed in historical and epochal terms. He argues that with the development of imperialism capitalism has become regressive and that socialism is more capable of expanding the productive forces. Hence Stalinism has to be placed with the context of decaying capitalism, and is an aspect of this decline. This means the development of the productive forces by state capitalism within the USSR is not an indication that it is progressive, and instead is part of the decay of world capitalism. Specifically: “The very fact of the existence of the Stalinist regime declares its reactionary nature, as without the October revolution the Stalinist regime would not have existed, and without the maturity of the world for socialism the October revolution would not have broken out.”(60) This is a sound conclusion but it undermines the argument for state capitalism, which is based on the view that the situation in backward Russia, despite the proletarian revolution, required the historical role of the state for the accumulation of capital. Instead Cliff's analysis is more consistent if he concluded that the decaying character of global capital led to the formation of a reactionary bureaucratic class regime within the USSR.

However, Cliff provides an important argument against the degenerated workers state theory when he maintains: “One may claim that planning inside Russia is an element which transforms the Russian economy into a progressive one in comparison with the capitalism of other countries. \This is totally unsound. So long as the working class has no control over production, the workers are not the subject of planning but its object......And so long as the workers are the object, planning is important to them only as an element of the material conditions necessary for socialism: as an aspect of the concentration of capital and workers.”(61) This standpoint undermines the view that Stalinist planning in some sense represents the basis of a type of workers state. Instead if the working class are subordinated within the relations of production the process of accumulation occurs at their expense. The only basis to emancipate planning from the requirements of an exploitative regime is to establish genuine socialism on the basis of the realisation of workers control of production.

It would seem that it was important to try and prove that if a country was state capitalist this would mean that the law of value would operate in some specific form similar to its actuality in a typical capitalist country. However, Cliff admits that the law of value does not internally operate in the USSR because the ownership of the means of production by the state means that competition between independent producers does not occur, and so value is not expressed in a process of competitive exchange. There is no market, and so the law of supply and demand does not operate, and prices are fixed by the state rather than being the outcome of competition and the importance of abstract labour. Price is related to costs of production in the USSR, but this does not express the logic of the exchange of commodities and the role of market competition. Primarily, labour power is not freely sold to individual employers, and the level of wages is not related to the dynamism of accumulation and the role of trade unions. Instead wages are established by the state, and any increase in wages requires the role of the state. Thus to conclude: “Hence if one examines the relations within the Russian economy, abstracting from them their relations with the world economy, one is bound to conclude that the source of the law of value, as the motor and regulator of production, is not to be found in it. In essence, the laws prevailing in the relations between the enterprises and between the labourers and the employer-state would be no different if Russia were one big factory managed directly from one centre, and if all the labourers received the goods they consumed directly, in kind.”(62)

This admission that the law of value does not operate internally within the economy of the USSR is a serious concession to the view that the USSR is not state capitalist. For, if the USSR was a form of capitalism it would seem logical that the major law of its activity, the law of value, would operate. Indeed, it can be proved, as Cliff does, that the law of value operates within the state capitalist countries that are not Stalinist. Hence, Cliff seems to be conceding to the view that the USSR is a different type of exploitative society because its laws of motion seem to be distinct and unrelated to the law of value of classical capitalism. However, he would claim that he overcomes this dilemma by claiming that the law of value imposes itself onto the economy of the USSR in external terms. The role of competition, which represents the law of value, imposes itself in terms of competition between the USSR and the rest of the capitalist world economy. Before discussing this view, it is necessary to contend that this standpoint ignores the fact that the USSR has tried to develop itself in autarkic terms, or in isolation from the world economy. It has attempted to overcome the very influence of the law of value by trying to promote a self-sufficient economy, and to avoid imports from the West. Or, when imports are unavoidable, these have been in order to enhance the very isolation of the USSR. Hence its competitive engagement with the world economy would seem to be a problematical idea.

However, Cliff argues that the economic laws of capitalism operate within the USSR because of its external relations with the rest of the world economy. He contends that: “The rate of exploitation, that is the ratio between surplus value and wages (s/v) does not depend on the arbitrary will of the Stalinist government, but is dictated by world capitalism.”(63) This standpoint seems to contradict the view that the law of value does not define the character of the surplus within the USSR because wage labour is not commodified free labour power, or abstract labour. However, using formal logic Cliff appears to overcome these problems by suggesting that competition occurs at the level of the world economy in terms of arms. But he is not able to outline how this aspect takes the form of competition between rival producers in terms of the attempt to outsell rivals in the form of commodity exchange. Instead he accepts that it is the competition of use values. But what he has ignored is that this issue does not represent any coherent economic logic and is instead based on the political tensions of the cold war. Military expenditure is an aspect of the profitability of USA capitalism, but this is not the major reason for its development. Instead it was necessary for either of the cold war rivals to generate military supremacy over the other in order to attempt to establish political hegemony. Armaments are a means to this end. The cost of military hardware is secondary to the question of their role in realising domination over rivals.

In contrast, this political issue is absent from Cliff's analysis and instead he maintains that: “But as competition with other countries is mainly military, the state as consumer is interested in certain specific use values, such as tanks, aeroplanes, and so on. Value is the expression of competition between independent producers; Russia's competition with the rest of the world is expressed by the elevation of use values into an end, serving the ultimate end of victory in the competition. Use values, while being an end, still remain a means.”(64) The dogmatic aspect of Cliff's approach, and the omission of important aspects of the role of armaments within the global situation, is because he knows that his argument is vital for the standpoint that the USSR is state capitalist, or a form of capitalism that is still based on the role of the law of value. Hence he can accept that the law of value does not operate internally within the USSR, but he then develops the standpoint that it is functional in external terms. If this view was correct, the USA and the USSR would have been merely rivals in the selling of arms, but this understanding is obviously ludicrous. The major function of military weapons was in order to advance the cause of political domination in the cold war.

Cliff extends his argument in order to suggest that the war economy of the USSR provides it with a certain dynamism despite low levels of consumption and inefficiency within the process of accumulation.(65) This point may have some validity given that the military sector of the Soviet economy was always its most dynamic. But the Soviet economy was in a certain sense in permanent crisis because it was continually unable to provide an adequate level of consumer goods for the population. The emphasis on the production of the means of production meant that the requirements of consumption were ignored, and this meant it could not be an important aspect in the very process of accumulation. The situation of low wages led to low levels of productivity, and this situation could not be resolved because the bureaucracy was ideologically against raising wages. Hence it was not possible to establish dynamic levels of accumulation based on the promotion of consumption. What Cliff does not recognise in his analysis is that the resistance of the working class meant the system lacked any credibility and legitimacy. Instead it was widely recognised that the economy lacked organisation and efficiency. It was inferior to capitalism rather than being a form of capitalism.

Cliff does mention the inability of the economic system in the USSR to raise the standard of living. He does not recognise that this was one of its major contradictions. Hence he seems unaware of the resistance of the working class and instead emphasises the importance of terror for upholding the supremacy of Stalinism: “In the countries of capitalist democracy........the class struggle takes the form of partial, 'peaceful' organised and planned economic struggles, In Stalinist Russia, because of the brutal police oppression, such struggles are excluded.”(66) This point is generally valid, but it underestimates the ability of the working class to engage in small scale acts of opposition such as the refusal to carry out the objectives of the plan and the directives of the manager of the workplace. If the system had been economically efficient, and political rational it would have been recognised that it was vital to improve the level of consumer goods for the people in order to promote loyalty within the population. Instead it was considered sufficient that repression was necessary in order to obtain the subservience of the people. Hence the new exploitative system lacked the economic rationality of capitalism.

Cliff outlines the economic aspects of the imperialism of the USSR in terms of plunder, favourable conditions of trade with Eastern European countries, and additional labour in order to promote the interests of the Russian economy. This is true but it does not mean the USSR was state capitalist, but rather the new system of exploitation had imperialist tendencies. Furthermore, Cliff ignores the political reasons for the domination of Eastern Europe by the Soviet Union which was connected to the development of the cold war. The point is that the USSR only took the definitive decision to establish total control over Eastern Europe in relation to its worsening relations with the USA. This point is ignored by Cliff because he concentrates on the economic motives of the Soviet Union in terms of its relations with Eastern Europe.

However, despite the outlined limitations in Cliff's theory of state capitalism, which is more coherent as a theory of a new exploitative regime within the USSR, it is still more coherent and principled than the theory of the degenerated workers state. In his criticisms of Trotsky's approach Cliff outlines how the bureaucracy has created a state to represent its own interests. It is illusory to consider that this state in some indirect manner represents the aims of the working class. He also outlines in a devastating manner how it is dogmatic to define the role of the bureaucracy in terms of the realm of distribution: “Does the bureaucracy only administer the distribution of the means of consumption among the people, or does it also administer the distribution of the people in the process of production? Does the bureaucracy exercise a monopoly over the control of distribution only, or over the control of the means of production as well? Does it ration means of consumption only or does it also distribute the total labour time between accumulation and consumption, between the production of the means of production and that of means of consumption? Does not the bureaucracy reproduce the scarcity of the means of consumption, and thus certain relations of distribution. Do the relations of production prevailing in Russia not determine the relations of distribution which compromise a part of them.”(67)

The answer to these questions is yes, and they prove that the theory of the degenerated workers state is contradictory and limited. The bureaucracy has utilised its control of the state in order to establish domination over the economy. It is illusory to suggest that this development is limited to the realm of consumption. Instead the control of distribution is based on the supremacy of the bureaucracy within the relations of production. Hence the only outstanding question is to define society in terms of a bureaucratic exploitative regime or state capitalism. The argument against state capitalism is that is effectively reliant on reasoning that suggests the social formation is a new type of exploitation. However, despite his limitations Cliff is also right to suggest that there are serious problem with the view that workers states were formed in Eastern Europe. The conception of a counter-revolutionary overturn in Eastern Europe undermines the perspective that it requires conscious mass struggle to create a workers state. Cliff was right to argue that: “If a social revolution took place in the Eastern European countries without a revolutionary proletarian leadership, we must conclude that in future social revolutions, as in past ones the masses will do the fighting, but not the leading.”(68)

Cliff is also right to suggest that the major weakness of the theory of bureaucratic collectivism was its inability to outline a systematic political economy of the USSR. Instead it can be said that this theory was restricted to indicating that the Stalinist bureaucracy established a new exploitative system via its control of the state, and in the form of its domination of the nationalised economy. This theory also outlined the imperialist impulses of the USSR. In this sense the theory of state capitalism seemed to be superior because it outlined a coherent political economy of the USSR, and therefore was able to make definite political conclusions in comparison to the apparent oscillations of the proponents of bureaucratic collectivism. However, the problem for the supporters of state capitalism was that it could not overcome the uncomfortable fact that the regime in the USSR was the specific outcome of a defeated proletarian revolution and so was not the logical extension of the development of world capitalism. In order to try and overcome this important methodological problem, Cliff maintained that the Stalinist regime carried out the historical tasks of the bourgeoisie in developing the productive forces. This was primarily why it was a type of capitalism. However, he had the problem that he had to admit that the law of value was not operative under the economic regime of Stalinism. This admission seemed to undermine the validity of its capitalist character. He could only formally overcome this problem by suggesting that the law of value was externally imposed onto the USSR, via the role of military competition. But this argument is not convincing. Hence despite its limitations we have to rely on the approach that the USSR is a new type of exploitative regime. This theory has been improved by the pioneering work of Hillel Ticktin and others.

But despite the limitations of the theory of bureaucratic collectivism it is able to provide a satisfactory explanation of the development of this social formation. The starting point is the creation of a workers state which utilises its political power to create an economy that represents this domination. In other words: “The proletariat is not a property owning class when it takes power. When it takes state power, it turns the property over to the state. It relations to property are then expressed only through its state. It 'owns' the property only insomuch as it rules the property owning state. This is the only way that the proletariat ever did own property, ever will own it, and ever can own it. It owns it through its state, the workers state, through its political power.”(69) In other words the workers state regulates the economy and promotes nationalisation and influences the role of workers control of production. This means that if this state degenerates and becomes dominated by a bureaucratic elite the situation is being prepared for a transformation of the economic character of the relations of production. The 'ownership' of the state by the bureaucracy (which we can relate to the introduction of the five year plans) means it becomes economic hegemonic: “The bureaucracy is the ruling class because its 'mere' political power makes it the owner of the means of production. It is always the relation of the owners of conditions of production to the actual producers that shows us the real basis of a class society and establishes the true class character of the state.”(70) We can add that control of the state by the bureaucracy enabled it to establish control of the economy and to introduce measures that promoted the accumulation of capital.

From this analysis we can begin the process of developing a political economy of the new state formation. We can establish that the process of the modernisation of the economy was not the result of the imperatives established by the bourgeoisie, and instead was the outcome of the degeneration of a workers state and its transformation into Bonapartist regime. The bureaucracy utilised its domination of the state in order to establish its own economic imperatives, which meant the accumulation of capital at the expense of the working class and peasantry (or investment in the means of production and the reduction of consumption to its lowest levels). Unfortunately instead of developing a political economy in order to develop understanding of Stalinism, Shachtman utilised the lessons of the post-war social overturn in Eastern Europe. He argued that: “In these countries, Stalinism triumphed over a bourgeois state and over a subject not ruling proletariat. It expropriated, both politically and economically the bourgeoisie and landowning classes, or is in the process of expropriating them, and nationalized their property.”(72) Hence it was at the level of political event and a flexible interpretation of historical materialism which was utilised by Shachtman in order to justify the theory of bureaucratic collectivism. The barbaric character of Stalinism was defined by its reactionary political methods and therefore the importance of political economy was neglected. Hence what was not explained was how Stalinism could function in economic terms. Instead this task was carried out by the theorists of State capitalism. Principled Marxists have an obligation to the adherents of state capitalism who advanced the political economy of the USSR and Stalinism.

FOOTNOTES:

1. Workers Power: Degenerated Revolution, Prinkipo Press 2012 p1-6
2. ibid p7
3. Joseph Carter: Bureaucratic Collectivism, in (editor Sean Matgamna) Fate of the Russian Revolution volume 1, Phoenix press London 1998, p297
4. Workers Power op cit p9
5. ibid p41
6. ibid p52
7. ibid p62
8. ibid p89
9. ibid p89

(10) ibid p89

(11) ibid p95-103

(12) Max Shachtman: Is Russia a Workers State? In Matgamna op cit p282

(13) Workers Power op cit p116

(14) ibid p131

(15) Hal Draper, The New Russian Empire, Matgamna op cit p491

(16) ibid p491

(17) Workers Power op cit p138

(18) ibid p195

(19)ibid p197

(20)ibid p208

(21)ibid p242-243

(22)Max Shachtman: The 1948 Congress of the Fourth International, Matgamna op cit p 467

(23)Workers Power op cit p266

(24)ibid p269

(25)ibid p464-465

(26)ibid p467

(27)ibid p304

(28)ibid p p355

(29)ibid p397-400

(30)ibid p469

(31)ibid p473

(32)ibid p477

(33)ibid p477

(34)ibid p494

(35)ibid p536

(36)Leon Trotsky: In Defence of Marxism, Pathfinder Press, New York 1973 p125

(37)ibid p19

(38)ibid p19

(39)Paul R. Gregory, The Political Economy of Stalinism, Cambridge University Press 2004 p77

(40)ibid p83

(41)ibid p84

(42)ibid p85

(43)ibid p86-87

(44)ibid p89

(45)ibid p91

(46)Tony Cliff: State Capitalism in Russia (1996 version) Bookmarks, London 1996 p51

(47)ibid p104

(48)ibid p140

(49)ibid p142

(50)ibid p151

(51)ibid p163

(52)ibid p165-166

(53)ibid p181

(54)ibid p183

(55)ibid p188

(56)ibid p190

(57)Alec Nove: An Economic History of the Soviet Union 1917-91 Penguin, London (1996 version)

(58)Cliff op cit p190

(59)ibid p191

(60)ibid p200

(61)ibid p200

(62)ibid p220-221

(63)ibid p221

(64)ibid p223

(65)ibid p243-244

(66)ibid p275

(67)ibid p321

(68)ibid p327-328

(69)Max Shachtman Workers State or Exploiting Class, In Sean Matgamna editor The Fate of the Russian Revolution volume 2, Workers Liberty, London 2015 p422

(70)ibid p423

(71) Shachtman: Stalinism and the Marxist Tradition ibid p539-540