

---

Socialist Digest is a review containing articles from various left journals which are largely inaccessible to Irish readers. The intention of the compilers is to stimulate debate and discussion on the left in Ireland.

The Digest is a cooperative, non profit-making venture which is published on a quaterly basis. Any suggestions with regards to the inclusion of specific articles are welcome.

---

Annual Subscription Rate £6 (Four issues)

To contact Socialist Digest write to:

John O'Neill  
159 Mellows Road  
Finglas  
Dublin 11

Compiled by: John O'Neill, Aidan Hughes, Fearghal Ross, Orla O'Connor, Joe Ruddock, Colm Breathnach.

Published by Tunn Publications 1991  
Printed by Repsol Ltd.

# socialist DIGEST

ISSUE 1 SUMMER 1991

---

- |                                  |   |
|----------------------------------|---|
| PREFACE TO CHAOS                 | .Boris Kagarletsky                      |
| MYTH OF THE MARKET               | . Sera : Socialist Ecological Group     |
| RADICAL REFORM AS<br>DEVELOPMENT | . Barbara H Chasin/<br>Richard W Franke |
| CRISIS OF SOCIALISM              | .Simon Clarke                           |
| THE NEW AGENDA                   | . Andre Gorz                            |
-

## Contents

---

- In "**Preface to Chaos**" *Boris Kagarletsky*, a former dissident and now a leadership figure in the new Russian Socialist Party outlines the crisis situation that the USSR finds itself in and attempts to interpret the intellectual background to the present chaos. 3
- The vexed question of the **Market** is tackled in a short article of the Socialist Ecological group "*Sera*". 14
- Given the present climate of pessimism on the left, an article on the achievements of the left in the **Indian state of Kerala** is an important example of deeply rooted popular struggles combined with honest leadership making significant progress toward satisfying the basic needs of all the people. 16
- In "**Crisis of Socialism or Crisis of the State?**" *Simon Clarke* argues that the left must break decisively with the statism of the fallen Eastern European regimes. 30
- Finally, in a thought provoking article, *Andre Gorz* outlines what he sees as the main elements of a **New Agenda** for the Socialist movement in the advanced capitalist world-centered around the limitation of economic rationality. 39
-

## Preface to Chaos

Boris Kagarlitsky

THE SPECTER OF COMMUNISM no longer haunts Eastern Europe. As Americans joke, the only difference between politics in Poland and politics in the U.S. is that in the U.S. there is a Communist Party. An ideology has collapsed. The propaganda cliches of the old regime are so compromised that only those who want to commit political suicide would use them.

The collapse of the ideology that successfully survived many decades did not occur merely because people stopped believing in it. The old dogmas were clearly bankrupt as far back as the later 1960s, but the ideological ship managed to stay afloat to the extent that it maintained the stability of the political and economic system. Now, the system is experiencing not a crisis but a crash. In Eastern Europe and the Baltics it is happening more quickly, in Russia more slowly but the process is headed in the same direction everywhere.

The new reality was totally unexpected, not only by the defenders of the old dogmas, but by those who wanted to overthrow Communism. As far back as the mid-1980s, the Western anti-Communist theoreticians spoke of "the Communist world" as frozen and incapable of change. The Reagan administration's rationalization for its cordial relations with Latin American dictators was that authoritarianism allows for a transition to democracy while Communist totalitarianism is "irreversible." That opinion, by the way, was shared by a majority of the dissidents. For them, resisting the authorities was primarily a moral duty.

When, despite the prognoses, changes began to occur, the first to speak up was the 60s generation. The "liberal Communism" of the Khrushchev epoch that collapsed after Soviet troops invaded Czechoslovakia, seemed to have acquired a second wind. People believed once again in the possibility of gradual reforms from above and also that liberal market reform - which they viewed as a second edition of Lenin's New Economic Policy instituted under the guidance of party leaders conscious of their historic responsibility - would gradually lead us to democracy.

Alas, such illusions are not destined to survive for long. It quickly became clear that behind the desire for "changes" were contradictory interests; gradual reform was being transformed into a chaotic process.

The failure of half-hearted, gradual reforms inevitably led to demands for rapid and decisive "radical reform." The changes were initiated from above and relied for support on a section of the upper echelon able to transform power into property and abolish illegal privileges in order to create legal ones for itself. The social content of the new slogans can be discerned without much difficulty.

The call for the creation of "a free market" means, above all, a free hand for the managers and that layer of the bureaucracy in a position to take

the "new road." As for the rest of society, the "perestroika" theoreticians have warned from the start that before things get better, they are going to get worse.

The 60s liberals were replaced by more consistent neoliberal ideologues, admirers of Margaret Thatcher and Ronald Reagan. In fact, if you favour unlimited freedom of the market, "pluralism of property forms" - which in practice means the creation of a private sector and selling off shares of state-owned enterprises; if, instead of the working class, you envision the dynamic entrepreneurs as the country's economic saviors; if you advocate running the education and health-care systems on a commercial basis; in short, if you call for the same measures promoted by the right-wing in the West, why use socialism as a smokescreen and invoke Lenin's name? The neoliberals viewed these ideological genuflections as window-dressing required by tradition and political conditions, a temporary cover no longer necessary.

THE RULING GROUPS IS increasingly oriented toward the values of the West, or as the Russian liberals say, toward "normal" society, understood in the narrowest and most primitive sense. The West that the Soviet elite is rushing toward is not the three-thousand-year-old civilization, but technology and consumption. The desire to reproduce this heaven on earth dictates mimicking Western methods regardless of their relevance to our social, cultural and economic conditions. Today, the ruling clique in the USSR is barely distinguishable from pro-Western, technocratic, modernizing elites in the majority of the developing countries. Formally, most of these ideologues retain their socialist terminology, but since the ruling circles never took it seriously, they simply use it to suit their needs; for example, to "prove," as several now do, that developed socialism has already been built - in the U.S.A.

However, the need for socialist cover has become much less important. The Stalinist tradition of substantiation any decision by claiming it is in the "interests of socialism" no longer works. New ideological cliches are making their appearance. Before the political contours of perestroika were defined, Gorbachev and his circle used slogans like "More Democracy, More Socialism," and referred to the benefits of self-management and workers' participation in decision-making. That is all over. Previously, policies were justified in the name of building Communism. Now, they are justified in the name of overcoming Communism.

There is no contradiction here. At the core of the new liberal project is the old totalitarian absolutism. Just as we were once required to recognise that there was only one "road" to socialism which everyone had to travel (the Soviet Union's), we are now required to recognize there is only one road to transformation which everyone has to travel (the one that exists in the West). All the others are "a dead end for civilization." Cultural pluralism and originality are perceived only as an obstacle to progress. An ideal society is not only possible, but its structure, laws,

and principles are already known in minute detail. Moreover, it exists on our planet. It is Western capitalist society. For many Western readers, such reasoning will seem somewhat naive, but that is the diet fed to the people daily by the Soviet media. Western capitalism is a society without problems, without social struggles, without contradictions. Whatever defects there are (if any) are explained by the existence of "enemies of the free world," (Communists, terrorists, "dark-skinned people"), by survivals from the past, or by the rationalization that capitalism is only beginning its triumphal march and has not yet reached its highest form. If something is not as it should be, it is a "deviation" from proper capitalist development, a "deformity."

Unfortunately, this mythology is not a caricature of Stalinism, but a brief description of an ideology which has captured the imagination of millions in the Soviet Union and Eastern Europe.

The development of the economy and the construction of modern enterprises are seen as the only criteria of progress. If the Bolsheviks viewed the economy as one giant factory, then for the new liberals, society and the economy must be administered like one gigantic supermarket. Symmetrical illusions and an overly-simplified approach to reality link the present liberalism to the early Stalinism of the 1920s that was taking shape inside the Bolshevik party. In both cases, there were distorted conceptions of radicalism and progress. In both cases, the acceptance of such logic by even a part of the intelligentsia was proof of its deep crisis.

Sociological surveys show that the majority of the population no longer believes in a Communist "utopia," but continues to support social justice and demands equality. Instituting reforms encounters resistance even while everyone agrees that reforms are necessary. This is not surprising. As long as "Western style market reform" was no more than a utopian conception, outlined by more or less talented publicists, it was attractive. But today, the market has become a reality in Eastern Europe, a reality that is destroying the illusions of those who, instead of the promised prosperity, receive notices of dismissal from their jobs, and discover that the stores have an abundance of goods but at prices ordinary people cannot afford. As usual, the people are told that these are "temporary difficulties." People are accustomed to ordeals but they know, from their own experience, that there is nothing as enduring as temporary difficulties.

The "new entrepreneurs" tend to compare themselves with the ruling classes of the industrially developed countries of the West just when the social and economic reforms under way in the former Eastern bloc, are transforming it into part of the Third World.

DEVELOPED CAPITALISM is unthinkable without a developed bourgeois civilization. As far back as 1905, Max Weber was skeptical about the transformation of Russia into a European democracy. The Western bourgeoisie arose in the unique historic conditions of 16th and

17th century Europe. Those conditions cannot be reproduced. And it is not simply that our entrepreneurs lack the "protestant ethic." The fact is that the world as a whole has changed.

It is impossible to repeat a social outcome without reproducing the historic process from which it resulted. In concrete Soviet conditions, a "free market" turns out to be a market of monopolists exploiting consumers. Calls for free competition yield no results as long as the structure of production is strictly controlled. The sale of share of state enterprises to private individuals only creates a parasitic layer of rentiers and, above all, permits the privileged layers - the old incompetent administrative apparatus - (and of course, the members of the "mafia", the only ones under the old regime who could accumulate the means to acquire property) - to reinforce their positions of power. Becoming owners of private property, these groups - as in the Third World - do not become modern entrepreneurs. Their source of accumulation remains the monopoly of power. It is a mixed economy in the sense that the state, which possesses part of the shares, guarantees that inefficiently run enterprises do not go bankrupt while the profits go into private hands.

Such a picture has little resemblance to the earthly paradise described by the theoreticians of liberalism. Distressed by the results of their efforts, they insist that they wanted something quite different and that these are deformations. They condemn the "shock therapy" proposed by the government not because they are opposed to it, but because the government is carrying it out "incorrectly." But no other result was possible. Capitalism with free competition arose on the basis of the 17th through 19th century technology which ruled out the possibility of the concentration of production and the growth of monopolies. The capitalism of the 20th century arose from 19th century capitalism and not from a totalitarian system. It is as impossible to import it as it is to create it artificially. What is more, a social explosion will sweep away any government instituting such a policy before it carried out a reform program.

AGAINST THIS BACKGROUND, the ideals of social democracy seem, at first glance, to be an acceptable compromise. But here is the paradox: at the same time that social democracy is experiencing a crisis in the West, the number of its supporters in the East is rapidly growing. Indeed, they promise to do us over "in the Swedish manner." On the one hand, we would have the market but, on the other hand, there would be social guarantees. It would be the same as capitalism but, at the same time, it would be something like socialism. The psychological basis for such a project is the often unconscious hope that we can work like we do in Russia but earn like they do in America.

Such ideas are as attractive as they are unrealizable. It is no accident that according to surveys of public opinion in Eastern Europe, the social democratic idea enjoys enormous popularity but the Social Democratic

party suffers one defeat after another in the elections. Everyone knows that things are good in Sweden but the population is not stupid that it fails to notice the inability of the Social Democrats to offer realistic solutions on how to "make us like Sweden." The reason is simple: it cannot be done.

Theoretically, social democracy could make "socialist redistribution" a reality but only in the richest, most developed capitalist countries. In order to redistribute one needs, first of all, to produce. In societies suffering from shortages, a policy of redistribution can be achieved either according to the communal tradition or in the spirit of "War Communism." A prerequisite for social democracy is a capitalism that works efficiently. Social democracy can be one of the possible political choices within the framework of capitalism but it cannot be an alternative or a road to it.

This distresses the liberal ideologues. Igor Klyamkin and Andranik Migranyan spoke more honestly than the others when they called on people to repudiate not Marxism, but democracy, for the sake of introducing a market economy. The only way that liberal economic reform can be introduced in practice, they believe, is through the creation of a strong authoritarian regime, capable of effectively crushing the resistance of the masses.

NONE OF THIS IS NEW FOR RUSSIA. The shift of the Western liberalizers to anti-democratic positions is traditional. After the 1905 revolution, a whole layer of leading left-liberal intellectuals - Bulgakov, Berdyaev, Struve, and others wrote about the need for a reconciliation with Czarism and for maintaining a strict authoritarian regime which would protect the educated elite from the wrath of the masses. True, history was to show that the protection was unreliable. The revolution came, nevertheless, and turned out to be much bloodier than anyone would have supposed in 1905.

History repeats itself: once as tragedy and then as farce. Today we have the farce. The Liberal supporters are indignant about the betrayal of Klyamkin and Migranyan. But alas, Migranyan and Klyamkin are a far cry from Bulgakov and Struve, not to mention such an outstanding thinker as Berdyaev. And their criticisms are far inferior those of the leaders of the Constitutional - Democratic party of 1905 which united the most brilliant representatives of the Russian bourgeois intelligentsia of that time.

Westernizing ideology, then and now, was and is involved in a catastrophic contradiction. In the absence of social structures and classes of the "Western" type, the only force capable of guaranteeing a Western-style transformation of society, i.e. in essence to violently suppress the natural processes of social evolution, is a despotic authoritarian regime, having nothing in common with Western tradition. Thus, the Liberal utopia is gradually revealing its conservative foundation.

To what degree is the regime prepared to take on this role. The fact that the official bureaucracy, having legitimized its rule with promises to



lead the country toward prosperity along a "non-capitalist" road, is now turning to capitalism methods, is evidence of the historic and ideological bankruptcy of the system and, obviously, the end of traditional Stalinism. But will the regime be able to smoothly restructure itself under the new historic conditions? The experience of Eastern Europe indicated that it is not easy to do. And how much will the "new regime" differ from the old?

The Stalinist Thermidor, like the French Thermidor, was in essence a counterrevolution that grew out of the revolution itself and to a significant degree was a continuation and completion of it. For that reason, however, the attempts either to separate Bolshevism from Stalinism or to reduce Bolshevism to the status of progenitor of Stalinism are senseless. The regime, for its part, having made use of the revolutionary heritage for its ideological justifications, would not be only too happy to get rid of it, but it cannot. The pretence of a "noncapitalist" road is still necessary to preserve the political stability of the system, even if everything being done contradicts that pretence. On the other hand, what we are seeing today is not the formation of a bourgeoisie and capitalist relations in the Western sense but the emergence of a hybrid monster, a type of negative convergence, combining all the worst features of both systems. We call it market Stalinism. How viable will this system be? In all likelihood, it will not last very long.

DESPITE SEVERAL YEARS OF INTENSE IDEOLOGICAL preparation, the practical "transition to the market" is continually postponed. Liberal journalists and opposition deputies in the soviets constantly criticise the government for its lack of resolve, even though the Gorbachev administration is gradually moving in the direction they demand. But for a number of reasons, there has not yet been a decisive breakthrough. For one, there are ideological difficulties for Gorbachev who is embarrassed to be openly introducing capitalism through formally a member of the Communist Party. Then there is fear of a social explosion if the program were seriously implemented since it would mean price increases, falling living standards, and even greater social inequality. Also inhibiting a decisive breakthrough is the absence of unity within the political elite.

In order to implement a market orientation, a strong, decisive regime is required which - at least initially - enjoys the people's trust. Gorbachev does not. Even though he was proclaimed President of the country in the summer of 1990 and invested with virtually unlimited authority, Gorbachev's power remains largely on paper. The bureaucracies of the various republics are not obeying the central government; the local apparatus has collapsed, and the President's authority cannot be established in practice even by special laws.

The 1990 elections for the republic and urban soviets abruptly changed the situation. Boris Yeltsin emerged as the leader of the Russian Republic. Anatoly Sobchak came to power in Leningrad. And Gavriil Popov was elected President of the Moscow City Council. Several

key posts in the country are now held by people who enjoy the confidence of the majority of voters, who may be able to reach some agreement among themselves, easing the way for the implementation of radical pro-capitalist reforms from above.

The group of experts appointed by Yeltsin under the leadership of Stanislav Shatalin and G. Yavlinsky worked out a "500 Days" Program in slapdash fashion to go into effect in October 1990. It was designed to extricate the country from the present crisis through the introduction of a tough market capitalism. The program envisaged the abandonment of state subsidies which prop up the existing level of popular consumption and allocations to loss-incurring enterprises, the curtailment of state capital investment, a "liberalization" (i.e. an increase) in prices and, most important, rapid, massive privatization.

For several years, liberal ideologues have accused Marxists of wanting to conduct an "experiment on the living organism of society." The irony is that the new leaders of the Russian government, who endorse these liberal critiques of Marxist "experiments" have decided to conduct their own grandiose social experiment, one with no equal since Stalin's collectivization. The traditional way of life, the established economic links, an imperfect but customary system of prices and structure of production must all be destroyed within 18 months! After so many statements about the inadmissibility of centralized planning and state interference in the economy, what Russian liberalism is proposing in practice is a rigid centralized state plan itemized day by day.

These measures have even prompted criticism from several liberal economists. Boris Pinsker has written about the many flaws of the plan in the Literary Gazette. Pavel Medvedev, Igor Nit, Lev Freinkman, and I. Kharlanov made their views known in a public collective letter accusing the Russian Republic's government of being attracted to the "coercive aspects of political affairs" and conducting a policy that will inevitably cause a "social catastrophe." While not objecting in principle to the idea of privatization, the authors of the letter emphasized that, given present conditions, the program's broad privatization provisions would not only fail to increase economic efficiency but, even worse, would lead to chaos. The system of command planning and centralized supply has been destroyed, but in spite of the assertions of liberal ideologues, a market trade system will not take shape automatically. Privatizing enterprises under present conditions means depriving them of either supplies or sales, i.e., condemning them to ruin. Nit and his colleagues emphasized that political instability heightens the risk and turns any private investment into Russian roulette.

It seems, however, that the authors of the project are rushing headlong toward that disastrous situation. Only those with solid political guarantees can invest money and buy up enterprises; the only real guarantee is power itself. That is how the ruling circles and, most especially, the bureaucracy will acquire the opportunity to monopolize

private property, sharing it only with those loyal to them and ready to become their junior partners.

The Central Committee of the CPSU and urban party committees have not remained aloof from the common labour of introducing capitalism. They have busied themselves with the establishment of multiple commercial banks, tourist firms, hotels reserved exclusively for guests paying in foreign currencies, and mixed enterprises. Even district committees have begun to establish "small enterprises" which enjoy many tax breaks.

The bureaucratic oligarchy is ready to exchange power for property but does not intend to share either with the people. In fact, this introduction of capitalism "from above" is aimed at cutting off at the roots any natural shoots of entrepreneurial capitalism "from below."

AS NOTED ABOVE, the most important condition for the success of such a program is the people's confidence in the government. Our country's experience demonstrated that the masses have staunchly and heroically endured many senseless sacrifices, but only as long as they were not aware that those sacrificed were senseless. The propaganda campaign conducted in the "official" and "opposition" mass media, had been largely successful. A significant portion of the population has begun to believe in private property and the free market with the mass religious fervour that they earlier believed in Communism and the wisdom of the Party. It is more than likely, however, that this faith will be shaken by a rapid decline in living standards and economic failures which will eclipse even the catastrophic results of Communist administration.

The people's faith in a bright capitalist future is secured with the promise of "pie in the sky". In the past, the government exhibited the homeless and unemployed in the U.S. to prove the horrors of capitalism. Now, television showcases Western shelves groaning under the weight of goods, and contrasts this abundance in the "civilized" countries with our own poverty. Possibly the shelves really will be full after the planned boost in prices but that will result, not from an increase in goods, but because there will be fewer buyers.

Really-existing capitalism does not guarantee a high living standard from the majority of the people any more than Brezhnevian "really-existing socialism" guaranteed social justice. We should not be comparing a ruined and backward Soviet economy with Sweden or the United States but with Mexico or Bolivia. The latter countries are where we should search for the model of our subsequent capitalist "development." The difference is that while these conditions are the norm for Mexico and Bolivia, a transition to such structures would be catastrophic for us. The majority of our people face a future of constant belt-tightening, not the delights of "pie in the sky." Most important, those "temporary difficulties" on the path to a "free market," whatever course of reform is followed, would turn out to be no less permanent than

the same "temporary difficulties" we encountered on the path to Communism.

Only the people's support allowed Russia's new rulers to go ahead with the implementation of their program. The resignations of Yeltsin, Popov, and Sobchak from the CPSU were a symbolic gesture intended to demonstrate that the old regime would be done away with. From the outset, in Eastern Europe, the people were ready to put up with the hardships caused by liberal policy because they viewed these measures as the price that must be paid for deliverance from discredited regimes and the hated Communist parties. The new Russian authorities tried to frame the political situation here in an analogous manner.

But while former dissidents in Poland and Czechoslovakia formed government cabinets which did not present the nomenklatura from acquiring property, in Russia, we are witnessing symbolic gestures by people who were never subjected to serious political persecution who are, themselves, creatures of that very same nomenklatura. Therefore not even our "deliverance from the Communists" was authentic.

The government does enjoy popular support and can capitalize on widespread anti-Communist sentiments but they enjoy far less support than the governments of other East European countries. On September 18, the Russian government and the Presidium of the Moscow City Council brought tens of thousands of their supporters into the streets of the capital. The demonstrators demanded the "immediate implementation of the Russian government program" and the resignation of Nikolai Ryzhkov (the Prime Minister) and his replacement by someone from Yeltsin's or Popov's staff. The fact is that very few of the participants have ever laid eyes on the "500 Days" program. Even deputies of the Moscow City Council and Russian deputies to the Supreme Soviet, had not seen the text. The newspapers later published a popular propagandistic exposition of the program from which they carefully excised everything that might cause public misgivings. The government officials did not report that they planned to cut back the already meager level of consumption, or the degree of hardship in store for us. There was no public discussion. The government obviously preferred to conceal its real intentions.

ALTHOUGH LIBERAL PROPAGANDA can still get people out into the streets, the liberal politicians themselves do not harbour any illusions about the durability of popular support. In August 1990, Gavriil Popov published an article in The New York Review of Books with the revealing headline, "The Dangers of Democracy" in which he said that the participation of the masses in politics, the desire of the workers to defend their interests and democratic freedoms are preventing the introduction of necessary reforms. The obvious conclusion: democracy must be eliminated if market capitalism is to succeed. The same conclusion can be drawn from the fact that the Russian government has accepted, as the

foundation of its program, a neoliberal economic philosophy which inspired Third World dictators.

Meanwhile, conflicts within the political elite continue to paralyze government bodies. The clashes between the Russian and the central government allows both to blame each other for the catastrophically deteriorating situation. The implementation of the "500 Days" program has not even begun, yet one of its authors, G. Yavlinsky, is already claiming that "the difficult times ahead will be a direct consequence of the decisions made in accordance with the program of the central government." (Izvestia, 10/10/90).

Dual power creates ideal conditions for social irresponsibility. Since the Russian authorities will initially enjoy a great deal of popular support, they will probably persuade the public for a while that their failures are really the failures of "incompetent bureaucrats" at the centre, while they, the wise leaders in Russia, Moscow and Leningrad, will lead us all (as they did before) to the "shining heights" of capitalism through one catastrophe after another.

While they will not bring "pie in the sky" down to the dinner table, it is likely that the real objective of the newly empowered in the Russian Republic will be achieved just as the real objective of Stalin's collectivization was achieved. The aim of collectivization, then, was not the recovery of agriculture. Today, the objective is not overcoming the crisis but protecting the power of the propertied. In both cases, the aim was and is the transformation of society in the interests of the ruling elites. The formation of a new oligarchy on the foundation of the old nomenklatura has become a social fact. The edifice of an authoritarian and barbaric capitalist regime is beginning to be built as a replacement for a fractured totalitarian monolith. There are no political forces in the country today capable of stopping this process, but there is reason to believe that they will emerge and mature in the near future - a positive but unintended result of the present policy under review.

For several years, liberal ideologues have claimed that the transition to capitalism will mean the transformation of Russia and Eastern Europe into a "normal" society. It is true that a totalitarian society can hardly be considered "normal". The exploitation and oppression of working people, concealed by rhetoric about "socialism" was not "normal." Intervention against independent states in the name of "fraternal internationalist assistance" was not "normal." It was not "normal" that social guarantees meant the dependence of workers on state functionaries.

Now, by introducing the capitalist market, the liberal heirs of totalitarianism are transforming Russia and Eastern Europe into apart of the "normal world," where people learns from their own experiences about the problems confronting working people in the "normal capitalism world: unemployment, poverty, and, often, a lack of civic freedoms.

Until recently, socialists in the East found it difficult to explain to people isolated from the real world by propaganda, why the market does not

automatically bring prosperity in its wake, and why the bourgeois system by no means guarantees political freedom. Now we will be able to illustrate our arguments from first-hand experience and working people will gain a better understanding of their interests and how to advance them. Formerly, each of us confronted an impersonal state. Now, we will be exploited by an oligarchy of property owners. Our respective roles will be more clearly defined. Confusing and deceiving people will become more difficult. The era of the old "monolithic" totalitarianism is gone forever and people will be free of the problems created by the pretences of totalitarian Communist ideology.

The new conditions will oblige working people to organize. Once aware of our own interests, we will learn how to defend them. We will need a strong left-wing movements to become a part of the global left. While being dragged into the "normal" world, we will learn to post "normal" questions. We will learn that "Stalinist Communism" was not the sole form of slavery and that "Western Democracy" is not the only possible form of freedom; that advanced democratic capitalism in the "normal world" is a luxury for the select few, totally inaccessible to us. We will be compelled to seek our own paths and make our own choices.



## Myth of the Market

The collapse of state socialism in eastern Europe has created a political vacuum in its wake, which is being filled by rising nationalism and xenophobia, coupled with a headlong rush towards market economies. MATT GANDY asks where the new-found infatuation with the market as an economic panacea can contribute towards cleaning up the poisoned landscapes of eastern Europe.

Our lack of progress in the west at both the national and international level does not augur well for the environmental prospects of the new democracies in the east. At the heart of the policy inertia in the developed economies of the west is the question of who pays for environmental protection. Witness the British government's reluctance to embark on the costly desulphurisation of our electricity plants, which is seen as a potentially vast outlay of inflationary public spending and a threat to the privatisation programme. As in the case of investing in our water industries, and subsidies to public transport, the Government has consistently tried to avoid actually footing the bill for protecting the environment.

The capacity to protect the environment under a market economy is dependent on wealth generation, and a willingness of the electorate to pay for a better environment themselves through either more expensive, environment-friendly goods, or higher taxes. It is likely that the newly restructuring economies of Eastern Europe will be quite unable to cope with the sheer cost and complexity of environmental protection. The voices of Eco-glasnost that emerged in Bulgaria and Czechoslovakia during the struggle for democracy are likely to be marginalised in the face of growing demands for material goods and the creation of vast markets for western products. The crowds of sullen-faced east Germans staring at merchandise on sale in the department stores of West Berlin are probably uninterested in the environmental consequences of their material aspiration. And who are we to blame them?

The current fashion for "Green Consumerism" appears rather threadbare in this context. Its proponents maintain that the market can respond effectively to the enlightened self-interest of consumers, yet the market economy is by definition dependent on ever expanding consumption for its survival. Indeed, it is arguably the growing complexity and sophistication of the market itself which must be challenged to safeguard our world for future generations. The dilemma in eastern Europe is that almost all forms of state intervention in the market have been discredited by the experience of state socialism.

This experience has brought great impetus to a decentralised form of Green politics which is deeply mistrustful of the beauracratism of centralised planning. It leads easily to a fragmented and individualist view of political change, reflected in the idea of each of us having personal responsibility for saving the environment. Within the broad church of Green points of view, this individualist, neither right nor left

position is highly influential as a perceived alternative to the 'industrial super-ideology' described by Porritt and other leading Greens. But their unwillingness to examine the functioning of the global market economy with real scrutiny undermines the coherence of their beliefs, and will ultimately frustrate their efforts to save the planet.

The push for capitalist development in eastern Europe is in part propelled by the myth that individual states can achieve the standard of living of Sweden or Holland, if only they embrace fully the requirements of a market economy. This powerful myth ignores the interrelationships between different states, implying that any country can reach material nirvana if it possesses the political will. The newly elected President of Romania, Ion Iliescu, has publicly stated that he wants to follow the Swedish model of development. Yet Sweden is in reality a wealthy suburb within the global economy, and sufficiently affluent to champion environment protection under a market economy. The economic structures and role within the global economy of Sweden and Romania are quite different: Sweden is a highly sophisticated and technologically advanced export-oriented economy with important multi-national linkages into the core of the global market economy. Romania by contrast, lacks the same degree of economic sophistication and linkages, and will suffer from decades of neglect in its education and training. Its future will be greatly shaped by its desperate need for foreign investment and hard currency.

Thus there is no evidence that environmental sustainability will be ensured by reliance on the myriad of uncoordinated and short-term vested interests which make up the private sector. This is especially true of the most serious problems such as global warming. A further weakness of the market approach is that of treating consumers as a kind of economic electorate, able to influence the pace and direction of economic change. Since there are disparities in disposable income, it follows that many people will be disenfranchised from environmental decision making.

Perhaps the most far reaching environmental consequence of the current changes in eastern Europe will be the discrediting of any form of state intervention of crypto-socialism. Already, there is an emerging paradox within Europe between the rise in material aspiration in the east and the rise in 'Green Consumerism' and 'Green Capitalism' in the west. As Green Socialist we must explode the myth of the market solution, for to fail to do so will surely undermine all our efforts to achieve sustainable development into the future.

# Kerala State, India: Radical Reform as Development

by Richard W Franke and Barbara H. Chasin

Redistribution of wealth, provision of basic necessities, and popular involvement in the political process are the hallmarks of a remarkable radical attempt at social change in Kerala state on the southwest coast of India.

Kerala (pronounced Ke'uh luh) is particularly important for third world countries, where centuries of colonialism and decades of Western-sponsored development efforts have gone hand-in-hand with continuing high levels of inequality and misery for poor farmers and farm labourers. While most third world countries seek to advance primarily through boosting production and investing in expensive technology, Kerala has implemented a program of radical social reforms, with land reform at the centre of its efforts. And although it suffers from overwhelming poverty and is one of the world's most densely populated regions, Kerala has achieved some of the third world's highest scores on important indicators of development.

The life expectancy in Kerala - 68 years - is closer to the U.S. average of 75 years than to India's 57 years or the abysmally low 52 years in a World Bank sample of 37 low income countries with 658 million people (excluding China and India). Kerala's infant mortality rate is 27 per thousand births, compared with 106 for the low income countries and 86 for India. The birth rate, at 22 per thousand, is comparable to the U.S. rate of 16; the figures are 43 for low income countries and 32 for India. Almost three-quarters of Keralans can read or write; fewer than half are literate in the rest of India and the other poor countries.

These indicators are especially important because they reveal the distribution of social and economic gains. If wealth is highly concentrated, percapita income can be high while most people have little. But, literacy rates improve only when a great number of people learn to read and write. The average life span rises minimally if only the elite live longer. Infant mortality and birth rates change little unless medical care is widespread.

Just as striking, Kerala's quality of life benefits are fairly evenly distributed among men and women, urban and rural areas, and low and high castes. Male literacy, for example, is just 9 percentage points higher than that of females, while the difference is 22 points for India as a whole. In India's urban areas, people are nearly twice as literate as they are in rural ones throughout India, while in Kerala the disparity is slight. For both infant mortality and birth rates, rural Kerala is only slightly behind the cities.

The results of studies Indian agencies have conducted on productivity and basic services are similarly impressive. Kerala ranks first among all Indian states in output per unit of area. The state is also first on 15 of 20 measures of basic services - including roads, post offices, and schools - and ranks very high on the five others.

Kerala's achievements are, of course, most meaningful to the people who live there, but the date also have implications for economic developments strategies elsewhere. In every developing nation, the many possible paths follow from a fundamental issue: which is more effective, growth or redistribution? Governments can strive to generate more output by stimulating capitalism enterprise. Higher income levels generally do produce longer life, more education, and fewer infant deaths, but only after very large and sustained increases that have so far eluded most third world countries. Alternatively, governments can redistribute wealth and then sponsor growth. Comparative studies show that for any given average per capita income, even in high income countries, redistribution provides substantially better education, longer life, and lower infant mortality than does growth alone.

In practice, the two paths to development are usually incompatible. Only Taiwan and the two Koreas have recorded both substantial growth and redistribution. Many nations - including most in Latin America, the Middle East, and Southeast Asia - have grown considerably, at least before the 1980s, but little redistribution. Some of the world's least developed countries have failed on both counts. Only Tanzania, Sri Lanka, and the state of Kerala have chosen redistribution while remaining in the capitalist economic system.

Thus, while this small coastal strip contains just 27 million people and 1 per cent of India's land, Kerala is more than a tiny, exotic subtropical detail in the world's second most populous country. It is an experiment in radical reform as a modern development strategy.

## Ecology, Geography, and a History of Struggle.

Kerala's achievements rest on a number of factors. First, its rather even distribution of resources has helped foster a similarly even pattern of settlement, which has simplified the delivery of health and educational services. Second, Kerala has long been a major international trading centre. People in the region are thought to have exchanged cardamom and cinnamon with Babylonia 5,000 years ago. In the nineteenth century, plantations and other capitalist enterprises sprang up under British rule, and a working class was created. These developments combined with the ancient cosmopolitan traditions to establish conditions for radical organizing, the third, and most important, factor in understanding modern-day Kerala. In the twentieth century, this region of India witnessed significant political movements among peasants, workers, and low-caste people who wanted more than formal independence from the British empire. They saw in independence a promise of increased income and expanded democratic rights.

In Kerala, such movements were far larger than in most of India. Although other states, as West Bengal and Tripura, have also elected communist governments in recent years, Kerala's radical tradition is much longer.

In the 1950s, India's national government reorganized states according to language groups, creating the state of Kerala in 1956 as a single Malayalam-speaking unity. In 1957, voters of the newly formed state of Kerala elected the first communist majority to the state legislature. Since then, Kerala's voters have elected three solidly leftist governments (1967-1969, 1980-1982, and 1987-present), and a left-right coalition that ruled through the 1970s carried out many policies of its left predecessor. Worker and peasant militancy have survived British colonial police repression, the 1964 split in the Indian Communist Party, Naxalite guerrilla adventurism, several incidents of interference from anti-left governments in New Delhi, Indira Gandhi's Emergency of the mid-1970s, and the continuing hostility of local landowners, bankers, and powerful right-wing Christian, Muslim, and Hindu fundamentalist groups.

In fact, movements of workers and small farmers in Kerala have persevered for the most part throughout the past 80 years. They have produced and sustained leaders from all the major castes and religions. As recently as 1988, 750,000 people joined popular actions in Kerala's communist heartland of Alleppey.

The radical organisations of the region compete with one another for members and influence but generally agree that poor people must be the main beneficiaries of development. Despite the many twists and turns of party coalitions and governments, these groups provide the constant element in Kerala's political culture. With leftist governments in power, major laws have been passed to redistribute income and income-producing assets such as land. But even when conservative governments have held sway, Kerala's workers and peasants have won reforms. The reason is that the left parties, unlike U.S. parties, are made up of highly organized peasant associations and labour unions, which agitate for change no matter who holds formal state power.

Kerala's major left party is the Communist Party of India-Marxist (CPI-M or CPM). This party was the left faction in the 1964 split which reflected the Sino-Soviet split worldwide. The CPM had the more pro-China orientation, but has since developed its international positions independently. Most of the party cadre and voters went with the CPM. In the 1987 state assembly elections, the CPM received 25 per cent of the vote as part of a left democratic front that garnered 45 percent, narrowly defeating a right-wing front led by the Indian National Congress. Eleven per cent of the vote went to far-right groups that appear to be a growing threat across India.

The other major left group is the Communist Party of India (CPI), which has important centres of influence in north India. But, in Kerala - as in West Bengal where a left front also hold power - the CPI has become a junior partner to the CPM. In Kerala in 1987, the CPI received 9 percent

of the votes. Other left groupings include several small socialist and labour parties and a left splinter of the Indian National Congress. These left parties and the mass organizations - unions, peasant associations, youth groups, and the like - are the main organizations responsible for Kerala's numerous reforms.

### Land Reform

Most third world countries have carried out some type of land reform, but the rich have often benefited more than the poor. By contrast, Kerala's 1969 land reform is one of the most thorough and successful in the third world. One-and-a-half million tenants received full title to either rice fields they worked, house-compound land, or both.

Just before the 1969 act, 8 percent of landowning households controlled 44 percent of all rented land and 62 percent of irrigated rental lands. Landholding inequality among farming households was the third worst among India's states.

"Inferior" tenants (verumpattamdar), who were the actual cultivators, were in the most difficult position. Despite some British and state legislation to protect them, their leases or subleases could usually be terminated by a class of superior tenants or by the actual landowners (jenmies) above them. Because of this insecurity, the verumpattamdar could be compelled to pay exorbitant rents. One regional study in the 1940s found that cultivator households paid half and sometimes more than three-quarters of their gross returns to the classes above them.

The same jenmies owned the small plots of land on which tenants and farm labourers built their houses and grew bananas, coconuts, cashews, mangoes, cassava, and other crops to feed themselves. The threat of eviction from such lands was a powerful weapon. Most of the landlords were also high-caste Hindu priests, while tenants were mostly low caste, and farm labourers were the former "untouchables." The land tenure system thus held in place the many forms of caste privilege and oppression which outsiders associate with India.

Frequent rebellions broke out against tenancy. From 1836 to 1853, for example, more than 20 uprisings occurred in Malabar, now northern Kerala, in which most Muslim tenants attacked mostly high caste Hindu landlords. Some 10,000 people died in the Mapilla - or Muslim - rebellion in 1921, but the 1930 law that resulted did nothing for the poorest tenants.

The turning point came in 1957, when the new state of Kerala elected a communist majority to the state legislature. The government included cabinet members who were themselves seasoned militants of peasant and worker movements. Their electoral charge included radical land reform and they acted to meet this goal. The landlords then organized demonstrations and appealed to the central government to dismiss the communists. Although Kerala's communists pressed ahead with their land reform program, it was struck down by the Kerala state supreme court, and the state government was indeed dismissed in 1959. Kerala

entered a period of political instability, with recurrent presidential rule from New Delhi. In the late 1960s, tenants took matters into their own hands, planting red flags on their tenancies and claiming the right to farm the land without paying rent. Popular pressure became so great that most politicians, including India's then ruling Congress Party, supported land reform, and a comprehensive program, although weaker than that of 1959, became law in 1969.

Two components of this reform appear to have been ineffective - a ceiling on the size of land holdings and a rice levy on the largest landowners that was to be collected by the governments and redistributed to peasants and farm labourers. However, tenancy reforms have massively redistributed land rights - and, therefore, power.

The abolition of both household and field tenancy transformed landlords - mostly high-caste Brahmin priests - into teachers, government administrators, and medium sized farmers. Although some have suffered, most now contribute to the development of Kerala's economy. In any case the reform compensated landlords. For rice fields, they received 16 times one-year's fair rent, as determined by a government committee. The compensation for house-compound land was 25 percent of the market value, with half paid from a government land purchase trust and half by the former tenant.

At the other end, however, many new small landowners have suffered from the declining price of rice relative to other products. They often lack the necessary capital to plant more lucrative crops, such as coconuts or rubber. Consequently, the direct economic benefits of the land reform have been less than hoped for, illustrating the difficulties of transforming a feudal system into small farmer private production when incomes stagnate and agricultural prices are unpredictable. Nevertheless, land reform has improved the vast majority of lives in Kerala's countryside. For tenants who received rice paddies, the land is usually the source of at least half their basic food needs. Now there is no rent to pay and no fear of eviction. Life - while below any reasonable standard for the modern world - has improved greatly within a single generation.

### **Food for All**

Nutrition in Kerala is at least equal to, and perhaps slightly better than, that of the rest of India, despite the state's much lower per capital income. While it is difficult to measure actual caloric intake, data the Indian Council of Medical Research has collected on the growth of children suggest that Kerala's people are well fed in the Indian context. Yet Kerala's children remain far below international standards in height and weight.

Food in Kerala is widely available at controlled prices through school lunch programs, feeding programs at nurseries for infants and pregnant and lactating women, and "ration shops." Public distribution of food via these shops is Kerala's most extensive mechanism for insuring adequate nutrition. Nearly all Kerala households receive ration cards that allow them to buy rice, cooking oil, and other basic commodities, with the

amount of each determined by how much land they own. All goods are also available on the parallel private market.

Established in Kerala during the First World War, ration shops came to serve large numbers of people only after India's 1964 food shortages. At the time, Kerala's government purchased rice and wheat to ensure that enough was available. Since then, Kerala's shops have been the most effective in India, with at least one located within two kilometres of 99 percent of Kerala's villages. In contrast, only 35 percent of the villages in India as a whole have a shop so close by and most Indian states provide little assistance to poor families outside the cities. By 1988, almost 13,000 ration shops accounted for about 15 percent of total calorie intake and 20 percent of total protein intake in Kerala. Some stores are cooperatives, but most are private businesses that receive a fixed profit.

School feeding programs in the southern Kerala districts of Travancore and Cochin started in the 1940s. Expanding those programs to all students was proposed in the late 1950s during the first communist ministry. The proposal was realized in 1961 with the assistance of CARE, which provided most of the food until just a few years ago. Now the state government funds the programs, which have fed about 75 percent of students aged six to ten since the early 1970s.

By 1987, over 2 million children received daily meals of about 410 calories and 15 grams of protein. Until that year, the programs offered a daily hot lunch just to students in grades one to four. In June 1987, the new leftist coalition expanded coverage to grades five to seven - reaching 3 million children.

Many Kerala women and their infants receive a free meal each day at village nurseries that women's associations run with government funds. In the early 1970s, these centres fed more than 150,000 women and infants daily. In 1988, over 9,000 centres served 265,000 women and infants.

Like the land reform, Kerala's extensive program of low-cost food to the poor has resulted in large measure from peasant and worker struggles. Much of the political clout behind the expansion of the program came from peasant associations and trade unions fighting from the 1930s to the present to prevent food hoarding and price speculation. Today, Kerala villagers consider low-cost rice and other staples a permanent right which they expect all state political parties to uphold.

### **The Right to Health**

After food, perhaps nothing is more crucial to life and welfare than health care. In Kerala, ordinary people have successfully struggled for health care. They continue to struggle to maintain, expand, and improve it.

Kerala's children show the most dramatic benefits from health programs. The infant-mortality rate is very low, and children under five fare much better than in the rest of India. From 1968 to 1970, the latest period for which an appropriate comparison is available, Kerala recorded only 24 deaths per thousand children under five, far better than any

other Indian state or the Indian average of 62 per thousand. UNICEF has suggested that this measure is the single most significant indicator of development.

Kerala has vastly improved health through better housing, sanitation, water, and immunization programs. Also, health-care facilities are better funded and staffed and more accessible than in the rest of India.

Poor housing can be a major source of disease. Dirt floors and palm roofs attract bacteria and mosquitoes. Overcrowding exacerbates the spread of infections and parasites. After the 1971 Indian census found the 20 to 25 percent of housing in Kerala was unfit for habitation, the state adopted and expanded a national home building program for landless labourers.

Financed by state and central-government revenues, the Kerala plan is known as the One Lakh Houses Scheme, after the Indian word for 100,000. In each of Kerala's 960 villages, 100 houses were to be built, for a total of 96,000 units. Although the plan cost far than envisioned, 57,000 were constructed by 1978. Each house has 250 square feet of floor space, three rooms, a hard foundation, a cement floor, sun-dried brick walls, and a tile roof on hardwood beams taken from the state's forests. The houses of several tens of thousands more low-income families were built or improved under supplementary state programs that continue to the present.

Beginning in Travancore in the late 1800s, government sponsored Town Improvement Committees and Rural Conservancy Establishments took on the task of improving sanitation. These organizations disinfected wells and water tanks, removed faeces from roads, graveled the roads, and supervised health conditions at markets and religious festivals. They also set construction of safe latrines as a goal, but progress has been slow. Many rural families still use open-air sites, and health experts consider budget allotments for latrines and sewage inefficient to meet Kerala's ambitious 1990 target of safe waste disposal in 80 to 100 percent of urban areas and 25 percent of rural areas. By 1985, only 28 percent of urban areas and 2 percent of villages had fully operational sanitation facilities; the all-Indian rates were 28 percent for urban areas and less than 1 percent for rural areas.

Safe drinking water is probably the best way to curb the spread of parasites and infections. In Kerala in 1980 and 1981, 29 percent of rural people and 72 percent of urban dwellers had potable water. By 1985, the rural figure had risen to 41 percent, and by 1988, 82 percent of the city dwellers had protected water. Nevertheless, Kerala does not stand out among Indian states, and gastrointestinal infections that cause diarrhea remain a hurdle. At the same time, only 1 percent of villages have serious water problems, among the fewest in India.

Preventive immunization and vaccination are Kerala's most impressive public-health projects. Smallpox vaccination in Travancore began in 1879. In 1935, 59 percent of the people of southern Kerala were protected, and by the following year nearly everyone in that area was.

Similar programs attacked cholera and malaria. The latter disease required cleaning up mosquito breeding areas, which is a more difficult task than vaccination. In 1970, Kerala became the first state in India to entirely eradicate smallpox. Malaria has also been wiped out, and, in Kerala, unlike many parts of India, it has not recurred.

Kerala has India's most extensive medical facilities as well. By investing relatively more of its state budget in medical facilities, in 1982 Kerala had nearly four times as many hospitals and nearly twice the number of hospital beds per 100,000 people as the Indian average. The doctor-to-patient ratio was 18 percent above the average, and Kerala spent 35 percent more per capita on health care.

Medical services are available throughout Kerala, and rural hospital beds are much closer to patients than is the case in the rest of India. This helps explain why, since 1965, 80 percent of all patients have received their treatment at hospitals rather than at less well-equipped primary health centres. In contrast, the second-best state, Tamil Nadu, has a 54 percent hospital treatment rate.

The state's provision of basic health care and its redistribution of wealth are the main explanations for a dramatic decline in birth rates. The 1986 rate of 22 per thousand women of childbearing age was the one-third below India's average. The birth rate declined first in the districts of Travancore and Cochin, where public-health measures and access to health facilities developed earliest. Two Indian researchers found that in one Travancore suburb medically qualified personnel attended 72 percent of all births, compared with 8.5 percent in a village in Andhra Pradesh state.

The same study reported on the routine practices at one primary health centre in Travancore, pointing up features that hundreds of millions of people in underdeveloped nations can only dream of. At the Kerala clinic all the staff were regularly at work, doctors and nurses came mostly from the same caste and gender as their patients, and the chief physician visited neighbourhood sub-stations daily. The staff could refer serious cases to a fully equipped hospital nearby. The centre had even more women on staff than the law required, boosting family-planning efforts.

While part of the explanation of Kerala's more extensive services and more dedicated physicians may lie in the idealism born of left-wing movements, the bottom line is that health workers are directly responsible to a militant and informed public. Doctors regularly showing up late for work will eventually find demonstrators at the clinic entrance - or at the doctor's home - local newspapers flooded with letters of complaint, and resolutions of complaint from local unions and civic groups going to their superiors in the government bureaucracy.

### **A Literate People**

Education is one of the most powerful tools for loosening rigid social structures. Besides providing training and skills, education can, in the context of progressive political activism, elevate the self-esteem of the

most oppressed so they can participate more fully in improving their own lives. In Kerala, education reaches even the poorest people.

Kerala stands out among all areas of the third world for its remarkable achievements in raising literacy levels. It has been well ahead of the rest of India since at least the beginning of the twentieth century, and the state continues to expand educational opportunities at about the same rate as the nation. Kerala also stands far above the country as a whole in providing education across the barriers between genders, castes, and urban and rural areas.

Kerala's nineteenth century educational achievements came from a series of enlightened rulers, who saw such steps as a way to resist large-scale, Christian missionary assault. By the early twentieth century, however, the story became one of people struggling for knowledge, dignity, and better jobs, with caste improvement associations leading the way. A lower-middle-caste group, the Ezhavas, acted first, establishing the Ezhava Social Reform Movement in 1905. Caste improvement leaders also began founding magazines, working with trade unions and other organizations of the poor, and promoting rationalism and scientific thinking as weapons against the Hindu mysticism that justified the caste system.

Literary became a major tactic for awakening worker and low-caste consciousness. In the 1920s and 1930s reading and writing circles were set up in villages. Prominent authors wrote stories and poems with strong Marxist and labour themes, and workers published poetry and narratives in union-sponsored publications. Village libraries were established, and literacy became a demand for the growing radical movement. By the early 1980s, Kerala had nearly 5,000 officially recognized village libraries, supported by community contributions and small state grants.

As a result, the literacy rate for low-caste people in Kerala is much greater than in the rest of India, and the education gap between higher and lower castes is the smallest. However, the continuing powers of the former untouchables severely limits their ability to use Kerala's vastly expanded educational services. Most low-caste parents are still agricultural labourers and they often must put their children to work in the fields during school hours to earn additional household income.

One solution to this problem is the lunch program, which helps keep low-caste children in school. Equally important is a large scholarship system. By 1988, over 587,000 low-caste and tribal students received scholarship aid - 79 percent of all students in those categories. Another 65,000 got scholarships to high-level technical schools and colleges, and over 3,400 received dormitory accommodations and clothing allowances.

Two other striking features mark Keralan education. First, unlike other Indian states, Kerala has focused its expenditures on the lower levels, spreading basic literacy further but leaving higher education less advanced. Second, non-government education has played a major role.

In 1963, the Kerala Peoples' Science Movement (KSSP) formed with the aim of "mobilization of the people through science." During the 1970s, the KSSP set up village study classes, medical camps, and literacy programs. Moreover, jathas - or parades - have taken puppet shows, guerrilla theater, and other informal modes of science education into neighbourhoods and villages, telling people about environmental and other issues. In the 1980s, the KSSP has carried out mass education programs on AIDS and maternal health, and now publishes a widely read science magazine.

Kerala's citizens make great use of their education. For example, they boast the highest per capita newspaper consumption in India. There is also a substantial local magazine and book publishing industry. And the state exports educated employees to Bombay, Delhi, and the Middle East. Even Europe and the United States employ a significant number of Kerala nurses.

Many low-caste people who have gained literacy have become government employees, as well as officers in farmworkers' and other unions. Kerala's "caste reservation" policy is similar to affirmative action in the United States but is much stronger. The cabinet elected in 1957 included four former untouchables, as did a progressive coalition a decade later. In 1971, a former untouchable became a district collector, one of the highest appointed administrative offices. Caste and tribe representation in higher government jobs exceeded 10 percent in 1988, fairly representative of the population.

### **Women in Kerala**

Kerala's major reforms were not specifically aimed at improving the situation of women, who are presently 51 percent of the state's population. Poor women in Kerala still live in great hardship. However, elsewhere in India, as in many third world countries, market-oriented development programs have worsened women's conditions. Generally, men work in the cash economy while women produce subsistence crops. When cash cropping is emphasized as a way to increase wealth, men are taught new skills, and women find their status undermined. They may even lose access to land and traditional sources of income. Already existing gender disparities may actually increase.

When female roles are devalued, female infants may be seen as a liability, a drain on precious resources. Female infanticide in one consequence. A declining ratio of females to males is especially strong in the north Indian state of Punjab, which pro-capitalism theorists often cite as a major development success story because of its relatively high income. By contrast, in Kerala there has been an increase in the ratio of females to males. Where there has been a strengthening of bias against females, and public health facilities are limited, families with few resources will seek medical care for boys but not for girls. In Kerala, widely available health care services, and extensive school feeding programs make such a choice unnecessary.



Kerala women have benefited from the expansion of educational opportunities at all levels, and make up over half of the college students. Educated women in Kerala find jobs in teaching, nursing, social work, and related fields. However, many of the poorest women are still agricultural labourers and this is an area of decreasing employment opportunities. Even when there is work in the paddy fields, barefooted women do the most unhealthy labour, at times exposed to the monsoon rains, frequently stooping and bending in water that may contain parasites. At the same time, because women are more likely to be agricultural labourers than men, they are also more likely to benefit from the agricultural labourers' pensions. Specific programs for pregnant and lactating women have also had a positive impact. In addition, school-feeding programs help to reduce somewhat women's household duties.

Kerala's land reform may have improved the lives of the highest caste women in Kerala, who traditionally led secluded lives supervising the household servants. In strictly traditional families, only the eldest son could marry, a practice which protected the land from partition but meant that many high-caste women never left their families' homes to start their own families. With the loss of land, high-caste families invested in education for both sons and daughters, and the latter now often work as professionals.

Gender-specific problems are found in Kerala as elsewhere in India. Violence against women is a growing problem throughout the country. Dowry deaths are the most dramatic example of this: "accidents" are arranged for a new bride who does not bring sufficient land, money, or goods to her husband's family. Police do little investigating and courts do not convict. Kerala has been relatively free of such killings which are most common in north India, but news accounts suggest that dowry killing may be increasing.

The entire dowry system is technically illegal in India, but is, in fact, widely practiced. In Kerala, women's associations are attempting to fight this custom. They organize street plays, distribute leaflets, and attempt to force the police and courts to conduct proper investigations of suspicious deaths of females. Another problem that Kerala women share with their counterparts elsewhere is "Eve-teasing," the Indian version of sexual harassment in public places. They may also suffer on-the-job sexual exploitation, or have to deal with unwanted sexual advances from male teachers. Feminists, both inside and outside the left, are beginning to press for meaningful attention to women's issues. Facing women's needs offers both a major challenge and a major new opportunity for Kerala's radical parties.

#### **Unemployment: Kerala's Most Visible Failure**

Despite impressive gains in other major areas of life, Kerala suffers from serious unemployment. In 1973, the rate was 25 percent; the official Indian figure was 8 percent (probably an underestimate). Unemployment

in Tamil Nadu state, with the second-highest rate, was 12 percent. The figures for Kerala and India were essentially unchanged in 1988.

Is Kerala's unemployment a consequent of reform? In other words, has a welfare mentality developed, in which people feel no need to work? That might be the case if the unemployment were recent, but Kerala's problem seems to go back at least to the beginning of this century.

Another sign that a welfare mentality might have developed would be a rapidly declining work-participation rate - the percent of the total population who are in the labour force. But, since 1961, that rate has dropped more slowly in Kerala than for India as a whole. However, the figures reflect, in part, the large-scale emigration of Kerala workers. By 1987, over 682,000 people had gone outside the state looking for work, indicating the Keralans seek unemployment wherever possible, even at the cost of leaving their homes.

Although some analysts claim that high wages are the main cause of Kerala's unemployment, there is no conclusive evidence of this. While, for example, some private entrepreneurs recently have moved cashew processing factories across the state border into neighbouring states in search of cheaper labour, most of Kerala's unemployment significantly predates the union-won wage increases of recent years, and this appears attributable to longer-term factors in the state's economic structure.

Kerala's reforms soften the consequences of under-employment. First, higher wages cushion workers for the periods when they are unemployed. Second, various welfare programs compensate for some lost wages - including unemployment insurance, agricultural labourers' pensions, and a 35 rupee annual school subsidy per child to many former untouchables. Third, rural workers obtain some food security from the house-compound plots they won in the land reform. However, such mechanisms cannot fully offset unemployment. Lack of work means lack of economic opportunity as well as lagging productivity. Unemployment signals wasted human resources, and it is the greatest challenge Kerala's planners and politicians face. The Left Democratic Front government elected in 1987 has proposed programs to stimulate local investment in small-scale, rural industry, but it is too soon to tell whether such programs can effectively raise employment levels.

#### **Lessons From Kerala**

The Kerala model cannot be copied wholesale, but with declining short-term prospects for socialist revolution in the third world, Kerala's workers and peasants have developed important programs that could improve the welfare of the poorest and most oppressed people in many countries. We believe much can be learned from their struggles, accomplishments, and problems. In this spirit, we offer a few tentative lessons from the Kerala experience.

\* Radical reforms deliver effective benefits to the poor even when per capita income remains low. The benefits of Kerala's reforms are

unmatched in other Indian states or most third world nations. Moreover, the achievements are mutually reinforcing. Land reform, for example, removed the threat of eviction, enabling tenants to increase their participation in politics. Similarly, school lunches help make possible more effective use of affirmative action programs for low caste people whose children can now more easily remain in school.

\* Public food distribution is highly effective in very poor agrarian economies. Kerala's school and nursery feeding programs, and especially its comprehensive ration-shop system, ensure a minimum food package to nearly everyone. Low prices help people remain free of the private moneylenders that feed on and reproduce exploitation in much of the third world.

\* Devoting resources to public health and health care can lower infant mortality and birth rates and raise life expectancy, even when incomes are low and stagnant. Kerala proves that even in the poorest regions these services need not wait for growth.

\* Widespread literacy and education can help break down traditional social barriers and create a more just social order. Although many third world nations recognize the need for education, they devote far too little to either basic literacy or rural programs.

\* Land reform can reduce economic and social inequality and put important productive resources into the hands of the poor. To the extent that wealth and income are derived from the land, only breaking the hold of the landed elite can liberate the poorest small farmers.

\* Progressives - including communists - can play a major and positive development role. Kerala's major communist party - the CPM - is independent of any other country. Leftists in general have a reputation in Kerala, even among opponents, for being relatively honest. When their candidates win elections, they do not institute undemocratic practices such as censoring the media or repressing opponents.

\* Redistribution does not necessarily create employment or raise average income. Kerala's reforms have not raised agricultural production or alleviated unemployment - both chronic problems in many third world economies. The expansion of public service also come at a price. While redistribution may shift assets of the rich to the poor, everyone does pay for some of Kerala's policies. The per capita tax revenue in Kerala in 1975 was 11 percent of average income, while most Indian states taxed at rates between 6 and 10 percent.

\* Radical reform can shield the poor from recessions. In the third world, the effects of the capitalist economic roller coaster have been devastating. Many countries have suffered zero or negative economic growth in the 1980s. A 1988 UNICEF study estimates that the 1980s recession caused 60,000 "extra" child deaths in Brazil alone and over 500,000 extra child deaths worldwide. The estimate does not include war-related deaths.

Certainly recessions hurt Kerala, but land redistribution, food rationing, pensions and the like, partially insulate the poorest from the business

cycle. While many third world governments are cutting education and medical services to pay their debts to banks in rich nations, the left coalition government elected in Kerala in 1987 has expanded access to school lunches and pensions. The government also increased per capita education expenditures 16 percent in 1987 and 5 percent in 1988; it raised health expenditures 20 percent in 1987 and 10 percent in 1988. Announcing his agency's 1989 report, UNICEF director James Grant noted:

In the '60s and '70s, tremendous emphasis was put on how you get better GNP growth rates. But GNP growth rates can hide mass maldistribution of income....In the '90s, the target ought to be meeting more tangible human targets: assuring safe water, assuring access to health services, assuring basic education.

Kerala offers lessons in how to hit those targets. It also reminds those on the left, who may be discouraged by recent events, that, to paraphrase Frederick Douglass: without organized radical struggle, there is no genuine progress.

# Crisis of Socialism

Simon Clarke

The collapse of the state socialist regimes of Eastern Europe has been met with dumbfounded silence by much of the left. This is ironic, because the harshest critics of state socialism have long been found on the left. Perhaps the main source of dismay has been that we had always held a naive hope that the overthrow of state socialism would be based on a mass popular movement calling for 'true socialism'. However, this view was not based on any serious thought about how such a true socialist movement would develop; the lack of a serious analysis of state socialism reflecting the ambivalence of much of the left towards the state socialist regimes. The fact that the overthrow of state socialism has been dominated by a call for the restoration of capitalism has shocked us all, even if in retrospect it does not surprise us.

It is silly to try to dissociate ourselves from the crisis of state socialism by arguing that there has never been anything socialist about the regimes in the Soviet block. The 'socialism' of those regimes may have been distorted and deformed, but it was not purely rhetorical. It was based on a rejection of private ownership of the means of production, on a commitment to a relatively egalitarian distribution of income, to the planned development of the forces of production, to the provision of welfare services on the basis of social need, to job security, to guaranteed employment and to the forms, if not to the substance, of working class power, all of which are necessary elements of any society which calls itself 'socialist'. However limited may have been the commitment of the nomenclatura to socialist values, there is no doubt that such values were deeply embedded in the working class, particularly in the Soviet Union.

The distortion and deformation of socialism in the Soviet Union lay in the alienated form in which socialism was institutionalised as *state* socialism. Socialist values and socialist principles express not the democratic self-organisation of the working class, but the imperatives of the state, forcibly imposed on the working class in every area of social life, an alienation compounded in Eastern Europe by the subordination of the national state to the strategic preoccupations of the Soviet Union. In this article I want to show that the crisis in the Soviet Union and, by implication, in the Soviet block, is best understood not as a crisis of socialism, but as a crisis of the state. This diagnosis presents the left with both a challenge and an opportunity.

In retrospect it is not difficult to define the origins of this deformation of socialism. Theoretically it is based on a bourgeois conception of the state, as the expression of the unity of society, in place of the Marxist conception of the state as an alienated form of class rule. This leads to the belief that the state has only to be freed from its subordination to the interests of the bourgeoisie to become the instrument of the collective rule of the working class. This is not simply a theoretical error. It is a conception which has a determinate social base and definite social consequences.

## The social base of state socialism

The social base of state socialism lies in the stratum of intellectual workers, including such groups as managers, administrators, scientists, technicians, engineers, social workers, and teachers, as well as the intelligentsia more narrowly defined. These groups identify the crisis and conflict-ridden social forms of capitalist production as a barrier to the achievement of their professional tasks and, more broadly, believe that the key to building a more just and rational society lies in their mobilisation of their technical, administrative and intellectual expertise. While distinguishing themselves socially from the working class, these strata justify their social existence

in terms of the social utility of their labour, and to that extent see themselves as the representatives of the interests of the working class, as a part of society as a whole, while seeing themselves as being uniquely equipped with the expertise to organise society in accordance with those interests. The ability of this stratum to achieve its rationalist ambitions depends on its having access to positions of social and political power. The self-evident rationality and justice of its directive role justifies the means by which it achieves and maintains such power, and explains its voluntary political subordination to any social force which can put it there. Thus the political affiliations of this stratum tend to be unstable, which can give its transfers of allegiance decisive significance.

The conception of socialism is clearly radically distinct from that based on the principle of democratic self-organisation which emerges in the course of the struggle of the working class for its own emancipation from all forms of alienated social power. However, the two conceptions can co-exist, in uneasy alliance, in the form of the Working Class Party, whether it be social democratic or Bolshevik, which tends to replicate the form of the state to which it is opposed, but which it also seeks to seize and transform. For the working class the Party is a means of mobilising and generalising its opposition to capital and its state, and of building autonomous forms of collective organisation, while for the intellectual stratum it is a means of achieving power over capital and the state. In opposition the working class may be the most active element in the party, and the intellectual stratum may even encourage militant working class struggles and the growth of working class autonomy. As the prospect of power looms, the Party is likely to see an influx of intellectuals, with an increasing centralisation of power within the Party expressing the growing influence of the intellectual stratum. As soon as the Party has secured state power, by whatever means, it has fulfilled its positive role as far as the intellectual stratum is concerned. The latter's task is now to consolidate and exploit its position of power to secure the implementation of the Party's programme in the interests of the 'working class'. Once the Party has seized power, any opposition it encounters from the working class is immediately identified as sectional or factional opposition to the interests of the class as a whole, the latter being identified with the Party as its self-conscious representative.

The necessary historical consequence of the dominance of the statist conception of socialism, which expresses the interests and aspirations of the stratum of intellectual workers, is that state socialist regimes immediately turn against the social force which brought them to power, using all the instruments of state power necessary to divide, demobilise and repress any autonomous working class organisation, and any independent expression of working class aspirations, in the name of its role as elected representative, or self-appointed vanguard, of the working class as a whole. The distinction between the Bolshevik and social democratic variants of state socialism should not be ignored, but it is more a matter of degree than of substance. The 'degeneration' of the Russian Revolution was not a matter of Lenin's intolerance, nor of Trotsky's militarism, nor of Stalin's personality, nor of the economic backwardness of Russia, nor of the relatively small size of the working class, nor of the autocratic character of the Russian state, nor of the embattled position of the revolutionary regime, although all these factors played their part in determining the extent of that degeneration. The degeneration was already inherent in the class character of the revolution which underlay the statist conception of socialism which it adopted as its project.

## The economic crisis of state socialism

It is not sufficient to identify the class character of state socialism to establish that the crisis of the Soviet Union is a crisis of the state, for the socialist project has been inextricably entwined with its statist form, and the popular rejection of the latter has

been equally inextricably entwined with a rejection of the former. It cannot be denied that, while a powerful popular commitment to socialist values remains, there are few signs that this commitment is the basis of any significant movement for the construction of a new form of democratic socialism. The widespread rejection of statism, and widespread demands for autonomy and for democratic accountability, take the pre-dominant form of the demand for the restoration of the market, rather than for the democratisation of systems of planning, and for the democratisation of the state, rather than for its abolition. To understand this paradox we have to look more closely at the character of the crisis of state socialism, in order to understand both the form of the crisis, and the form of the response.

It is most commonly argued that the roots of the crisis of state socialism lie in the economic crisis created by the planning system of the command economy. It is the economic failure of planning which has imposed the necessity of the restoration of the market and, as its unavoidable adjunct, of capitalist social relations of production. This diagnosis is shared by Western critics of the Soviet Union and, increasingly explicitly, by the dominant faction of the Soviet leadership itself. However, while there is no doubt that the planning system has failed in its aim of developing the forces of production more rapidly than could an unfettered capitalism, this is not a sufficient explanation for the crisis. After all, it is universally recognised that for an indeterminate future period the restoration of capitalism can only intensify economic decline. More generally, an economic crisis is not a sufficient condition for a political crisis.

It is not only the state socialist countries which have seen a deteriorating economic situation. Many countries of the third world have far lower levels of income, and many have suffered a far more serious economic crisis, with falling levels of national income, rampant inflation and mass unemployment. It hardly needs to be said in Britain that the advanced capitalist countries themselves are not immune from crises: British capitalism was in an almost permanent condition of crisis between the mid 1960 and 1982, the recession of 1979-82 probably being relatively worse than that experienced in the Soviet block today, with the prospects for the 1990s hardly being any more hopeful. Although the severity of the economic crisis in the Soviet block has almost certainly been exaggerated by the Soviet leadership for its own purposes, it clearly is an important element of the crisis of state socialism, but it cannot in itself explain the political form taken by the response to that crisis. Why did the crisis lead to the rejection of state socialism in the East, while equally serious crises have not led to the rejection of capitalism in the West and in the South? Before addressing this question we need to look a little more closely at the components of the economic crisis, which we need to unpack.

We need to distinguish four elements of the crisis, which together define both its origin and its form.

### **The crisis of the command economy**

At the root of the crisis lies the bureaucratic, overcentralised and inflexible planning system of the command economy. Distorted priorities and distorted information flows led to the familiar problems of poor quality, dislocated production, and extremely inefficient distribution. The irrationality of this system cannot be reduced to the self-interest of a bureaucratic elite, for such an elite would be expected to seek to maximise production in order to maximise the surplus available for it to appropriate for its own use. While the nomenclatura certainly enjoy privileges, primarily in the sphere of distribution, the irrationality of the planning system is *systematic*. The scandal of the planning system is not so much the privileges of the nomenclatura, which are modest compared, for example, to those of the professional middle-class in the capitalist world, as the enormous *waste* of resources. Vast amounts of labour-time are spent unproductively; natural resources are

despoiled and the health and safety of workers undermined, for minimal tangible benefits and at enormous social cost; a huge proportion of agricultural output rots away in fields and in railway sidings, or is eaten by rats; a significant proportion of the output of manufacturing industry is unusable or breaks down; an enormous amount of labour-time is devoted to maintenance and repair; a large proportion of plant lies idle for want of raw materials and intermediate products; enormous stocks are held by producers and consumers as hoards against anticipated future shortages.

There is clearly no sense in which such a system could ever be a model of socialism. But there is not really much sense in which such a system is a model of any form of planning. Indeed it would be fair to say that the sphere of planning in capitalism is much more extensive than it is in the command economies of the Soviet block. The scope and scale of planning in giant corporations like Ford, Toyota, GEC or ICI dwarfs that of most, if not all, of the Soviet Ministries. The extent of co-ordination through cartels, trade associations, national governments and international organisations makes Gosplan look like an amateur in the planning game. The scale of the information flows which underpin the stock control and ordering of a single Western retail chain are probably greater than those which support the entire Soviet planning system. The crisis of this system is not a crisis of planning as such, but a crisis of a planning system of a particular form.

### **The military sector and the crisis of planning**

The economic crisis has been compounded by very high levels of military expenditure, particularly in the Soviet Union, and the privileged access of the military sector to scientific, technical, administrative and material resources. This not only absorbs a high proportion of the investible surplus, but also means that the planning system works in the military sector, whose military and civilian staff provide the social base for the conservative resistance to market reform, so that one reform strategy has been to produce for civilian markets within the military sector, culminating in the plans for military conversion. However this appearance is misleading, for the growth of the military sector can only lead to an even more rapid deterioration in the rest of the economy until the reproduction of the system as a whole is undermined.

### **The crisis of economic reform**

The most important domestic source of the economic crisis has not been the inadequacies of the Stalinist command economy, so much as the reforms which have sought to patch up the inadequacies of the system over the past thirty years. The inadequacy of the system is not a new phenomenon: it was already becoming apparent by the late 1950s. For two decades the irrationalities of the system had been overcome by mobilising easily exploitable natural resources, by the massive migration of labour from agriculture to industry, by the mobilisation of enormous quantities of female labour, and by ruthless repression, both of workers and, above all, of apparatchiks. This made it possible, at enormous social and material cost, to overcome shortages simply by mobilising new resources and by intensifying labour. However such resources were becoming harder to come by through the 1950s, while the growing sophistication and industrial strength of an urbanised working class in the context of growing labour shortages presented a powerful barrier to the intensification of labour.

The ability of the state to respond to the inadequacies of the system by restructuring the planning system, to incorporate greater flexibility and greater technological dynamism, was severely limited by the fact that the power base of the Party-State lay essentially in the bureaucratic apparatus itself, stretching right down to the working class, which was the nominal source of the legitimacy of the Party's monopoly of power. Thus the planning apparatus was both an administrative and a political

apparatus, not only as a form of bureaucratic rule, of Party recruitment and of Party control, but also the form through which working class demands were channelled and filtered, and within which they were satisfied, however inadequately. Attempts to restructure the working class and to increase managerial control over the labour process by providing material incentives were a notable failure, not only because of the commitment of the working class to egalitarian values, but also because material incentives are ineffective when there is nothing to buy with increased wages. Thus working class discontent focussed not so much on wage levels as on the shortages of goods, providing a basis for working class solidarity which could not easily be broken. Thus any attempts at reform of the apparatus were met with resistance at all levels.

The result was that the inadequacies of the system were dealt with by ad hoc and marginal reforms. On the one hand, these involved establishing systems of priority access to resources, as in the priority of the military over the civilian sector, or of particular industries or regions over others, and in the privileged access of the nomenclatura to consumer goods and health and welfare services, special shops for different categories of workers, priority allocation of housing etc. However, every such measure only worsened the situation by intensifying the crisis facing those without priority or privileged access to productive resources or consumer goods, leading to arbitrary switches of policy in response to economic, bureaucratic or political pressures which only increased the irrationality and unpredictability of the system of 'planning'. The limits of such ad hoc measures have now been reached, as virtually all productive resources and consumer goods and services are distributed through priority and privileged channels, making it virtually impossible for both enterprise managers and consumers to secure goods and resources without using political influence, personal contacts, and bribery to secure privileged access. Meanwhile those excluded from such channels form the interminable queue. On the other hand, reforms have aimed to overcome the rigidities introduced by increasingly irrational systems of allocation by attempting to decentralise the planning system, giving enterprises greater autonomy and responsibility in finding ways of achieving the targets set by the Plan. Enterprises have responded by expanding official and unofficial, formal and informal, secondary channels of economic coordination — direct links between enterprises, the black market, the 'grey market' and the informal economy, and, more recently, co-operatives and private enterprise. However these measures again relieve immediate pressures only at the cost of further undermining the co-ordination of the central planning system, and introducing further sources of irrationality into the system of allocation, while enormously expanding the scope for corruption.

The result of the process of reform has been progressively to intensify the irrationality of the planning system and to politicise economic decision making, simultaneously provoking growing demands for radical reform, while making such reform of the system increasingly difficult to contemplate, let alone to achieve. For frustrated managers, particularly in the civilian sector, who are subjected to the demands of an irrational plan which they find it increasingly difficult to achieve, enterprise autonomy has a growing appeal. Profitability targets allow management the flexibility which is excluded by the increasingly unrealisable physical targets set by the Plan. The informal mechanisms of barter, of the black market and of the emerging enterprise economy provide an attractive alternative to the unreliable means of acquiring resources provided by the Plan. The prospect of a labour market holds out the promise of imposing managerial discipline on the labour force without having to negotiate every point. The accumulation of private savings of unspendable roubles implies the existence of an insatiable market, while black market fortunes promise to provide capital resources, and foreign capital offers advanced

technology. Enterprise autonomy also has an appeal for the working class, in opening up the possibility of using its organised strength in plant-level bargaining, while the expansion of the market holds out the prospect of an abundance of goods, although the workers will put up increasingly militant resistance to all reform measures which lead to a further deterioration in their conditions, whether in the form of the intensification of labour, wage cuts, price rises or redundancies.

Although there are clearly powerful social forces in favour of the restoration of capitalism, there are at least equally powerful forces ranged against such radical reform. The basis of the opposition of the military and of large sections of the nomenclatura is obvious, as is that of older people nervous of change, of unskilled workers who would be the first to face the threat of redundancy, and of enterprise managers in the privileged sectors. However the barriers to reform are set not so much by conservative opposition within the apparatus as by the apparatus itself. The key to reform is the reform of prices and wages, which have to be set at levels which will permit enterprises to achieve their profit targets, workers to maintain their living standards, and the state to maintain the apparatus of social welfare and collective provision. However, the extreme politicisation of bargaining over wages and prices means that a 'rational' price reform cannot be achieved, for everybody wants to increase their own wages and output prices, while holding down the prices of their inputs and of the means of consumption. Thus every attempt at price reform degenerates into pervasive political confrontation which threatens to lead to an inflationary spiral. Moreover, while the evidence indicates that the majority of the working class favours reform in principle, workers resist virtually every reform measure in practice, since the ultimate purpose of such reform is to break the negative power of the working class which is seen as the ultimate source of the inflexibility of the economic system.

The driving force of reform, and the section to which it has the greatest appeal, is not the newly emerging bourgeoisie, but the leadership of the Party-State itself, because the politicisation of the system of economic planning and management over the past thirty years has reached a state of paralysis, in which even the most minor proposals generate bureaucratic obstruction and popular protest which rapidly threaten the legitimacy of the Party and the State. When Gorbachev's rule is threatened by his failure to provide soap for Soviet miners the time has come for a change.

### **From economic stagnation to economic crisis**

The factors already discussed underlay the gradual disintegration of the system in the 'years of stagnation'. What brought the crisis to a head was none of these internal factors, but the external factor of the development of world commodity and financial markets. The Soviet block had long made good the deficiencies of the economic system by importing from abroad, Imports were not primarily of high technology means of production, which could not be produced domestically, but were predominantly of commodities, and particularly food, whose domestic production was held back not by technical but by social constraints.

The growing need for imports was not matched by significant export growth. Growing domestic consumption and the depletion of natural resources prevented the volume growth of traditional exports, dominated by raw materials, while falling commodity prices reduced export values. The gap was filled for a time by the diversion of resources from domestic consumption to export, at great cost, and by a growing foreign debt. The era of stagnation finally turned into the era of crisis when rising interest rates raised the cost of debt service, while the world debt crisis saw sources of further credit drying up.

Although external trade is only a small proportion of the domestic product, and external debt is very small by most standards, these external factors are of decisive importance. They are crucial in intensifying the domestic economic difficulties of the Soviet Union to the point of a crisis which calls for a rapid resolution. Moreover they are equally important in determining the form in which that crisis appears, as a crisis of the state, and the form of the response, as an attempt to restore capitalism in the Soviet Union. Finally, they define the basis on which it is possible to locate the crisis of the Soviet Union in the global context. From this point of view, while the form of the crisis and of its resolution is conditioned by domestic circumstances, the crisis is not an autonomous crisis, but a part of the wider crisis of the world capitalist system, of which the Soviet Union is an increasingly integral part.

### **The crisis of capitalism and the crisis of the state**

It is very important to distinguish between two aspects of the crisis in the Soviet block. The crisis has undoubtedly been provoked by a growing popular upsurge, whose form varies from one country to another, with different national, religious and class components defining rather different aspirations. However what is remarkable about the crisis of state socialism is not this upsurge of popular resistance against the system, for we have seen such upsurges before, especially in East Germany, Poland, Czechoslovakia and Hungary. What is remarkable is the response of the state to this unrest, a response already anticipated to a limited extent in the reforms in Poland and Hungary in the 1980s, but which has happened so dramatically and with such extraordinary speed that it qualifies as nothing less than a revolution, but nevertheless a revolution from above. We should not undervalue popular resistance, but nor should we be misled by Margaret Thatcher's rhetoric into believing that we are observing popular revolutions. The revolution may have been instigated by the people, but it has been directed primarily by the state. The revolution has certainly gone further than anyone could have envisaged, but this is not because the people have seized power, but on the contrary is because the state has been so concerned to ensure that, whatever happens, the people remain excluded from power, and that power should remain concentrated in the responsible hands of the state.

The global crisis of capitalism provides the basis on which we can legitimately compare the crisis confronting the state in the Soviet block with the comparable crises of the state in the capitalist world, not merely by analogy, but because the particular instances are only differentiated forms of the same crisis. This explains the remarkable parallels between the current crisis of the state in the Soviet block and the crises which engulfed social democracy in the late 1960s and early 1970s, the dictatorships of the Southern European periphery in the 1970s, and those of the Third World in the 1980s.

What all these crises have in common, whatever the domestic economic and political structure and the domestic balance of class forces, is a crisis of an interventionist state, in which central features of economic policy had become highly politicised. An economic crisis becomes a political crisis as the state comes under growing fiscal, monetary and financial pressure to restructure economic and social relations to secure the expanded reproduction of capital, but the institutional representation of both capitalist and working class interests presents formidable barriers to any such restructuring, without providing the basis for any alternative resolution of the crisis. As the crisis deepens and class struggle intensifies, the legitimacy of the existing form of the state is progressively undermined as the state increasingly appears to all social forces, for different reasons, as the primary barrier to the resolution of the crisis and the realisation of their particular aspirations. The

response to this crisis is not the seizure of state power by one or another class, but the restructuring of the state and, at the same time, of class relations.

The driving force behind this restructuring is not so much the attempt to provide a resolution of the economic crisis, as the attempt to resolve the political crisis of the state by trying to disengage the state politically from the economy so as to depoliticise economic policy formation. This is achieved by the 'monetarist' restructuring of the state and of its relation to the economy, as money replaces the state as the agent of restructuring, while the money form is imposed on the state, and large sections of the public sector are nominally privatised. The importance of these measures is not, as the right claims, that the restoration of the rule of money and the market will perform an economic miracle, nor is it, as the left claims, to be reduced to the private plundering of public assets, or even to a frontal assault on the working class. Their importance is that they promise to resolve the political crisis of the state by restructuring both the state and the working class.

Although the state appeared as the primary barrier to the resolution of the economic and political crises of the 1970s and 1980s, the ultimate barrier to that resolution was the strength of the working class. Working class resistance to the capitalist resolution of the crisis could not be broken by direct political confrontation, without risking a dangerous confrontation of class forces. Thus the condition for the resolution of the crisis of the state is the gradual, cumulative and simultaneous restructuring both of the state and of the working class as the basis on which to secure its political demobilisation.

This demobilisation was achieved relatively easily in the advanced capitalist countries, where the initial stages of restructuring were undertaken primarily by social democratic governments, which were able to limit opposition by exploiting their links with the leadership of the organised working class, before conservative governments took up the baton and moved onto the offensive. In Southern Europe the dictatorships abandoned their authoritarian rule, under pressure from the domestic and international bourgeoisie, before working class resistance assumed a mass form, so that the working class did not present a significant barrier to the restructuring of the state and class relations under the domination of capital. In Latin America, South Africa and East Asia, authoritarian states have reached the point of collapse under pressure from mass popular movements, often with a pronounced class character, and it is by no means clear that the restoration of democracy and economic liberalisation can be successful in stabilising neo-liberal state forms by dividing and demobilising working class opposition. The same is true, to an even greater degree, of Eastern Europe.

### **The crisis of the state and the prospects for socialism**

The current crisis in the Soviet block closely parallels the crisis of social democracy in the 1970s: integration into the world market has increasingly subordinated the domestic economy and the nation state to constraints imposed by global capital, but a capitalist restructuring is impeded by interests entrenched in the state bureaucracy and by the institutionalised power of the working class. The appeal of privatisation and the market to the state is that it depoliticises economic regulation and the large areas of economic policy formation, and so promises to disengage the state from the economic crisis. The reforms of the last twenty years have created a social stratum (enterprise managers, fixers, black marketeers, scientific and technical workers) which has increasingly confronted the state as a barrier to its aspirations, and which sees the restoration of capitalism as the means to break free from the shackles of state control and gain professional freedom and financial benefit. The working class has also increasingly confronted the bureaucracy as a barrier in every aspect of its



daily life, so that liberalisation, the market, and even the restoration of capitalism, has a certain rhetorical appeal. However, the state has so far failed in its attempts to divide and restructure the working class by providing material incentives, and the attempt will continue to fail until higher wages for privileged workers can provide access to more goods and better housing, which can only happen as the result of the restoration of capitalism. The result is that, however much the working class may be drawn to the rhetoric of reform, we can expect it to continue to resist the introduction of the measures required to achieve such a reform.

At the moment it is clear that democratic socialism is the weakest force in play in the Soviet Union, but the longer the current impasse persists the greater are the chances that a socialist movement will be able to build itself. However, the likely failure of reform does not mean that a new base for a socialist movement will necessarily emerge in the Soviet Union, for the power of the working class is still largely negative, while the political debate is confined almost entirely to the ranks of the political elite, setting liberalisers against those who wish to return to the security and order of the discredited system of the command economy. There is plenty of scope for the elite to exploit national, ethnic and gender divisions to sustain the demobilisation of the working class, and there is every possibility that further disintegration will promote popular demands for strong and decisive government which could be exploited by authoritarian liberal, conservative or fascist currents.

The lesson for socialists of the fate of state socialism, in both its Soviet and social democratic variants, is that socialism cannot be imposed on society through the alienated form of the state, but can only be achieved by building on the self-organisation of the working class. The conquest of state power, far from being the immediate ambition of a socialist movement, is a poisoned chalice so long as the working class has not developed alternative forms of democratic organisation to replace the alienated forms of state power. This is a lesson which socialists are beginning to learn: in Nicaragua, where the Sandinistas relinquished state power to return to defending and rebuilding a movement which was coming increasingly in conflict with the state; in Brazil, where the Left's sign of relief at narrowly losing the Presidential election could be heard across the five continents; in South Africa, where the mass movement is resisting being drawn into the headlong stampede to achieve political respectability of its self-appointed leadership; maybe even in Britain, where the Labour leadership has made it clear that it seeks no more than jobs for its boys and girls.

The challenge presented to socialists by the crisis of the Soviet Union is precisely the same as the challenge presented by the bankruptcy of social democracy, of finding ways of developing the democratic socialist principles embodied in the self-organisation of the working class as the basis not only of negative resistance to the depredations of capital and the oppressive power of the state, but of a positive movement for universal human liberation. This cannot be achieved by developing yet more socialist programmes to be imposed by the state, but by building a socialist movement on the basis of working class organisation.

The opportunity opened up is, as Hugo Radice has noted, that the collapse of both of the complementary forms of state socialism at last enables us to break free of the false polarisation between Communism and Social Democracy which has tyrannised the left for almost a century and which enables us to reclaim the alternative traditions of socialism which have regularly emerged from the self-organisation of the working class.

## The New Agenda

Andre Gorz

The socialist movements, and later the socialist parties, developed out of the struggle against the exploitation and oppression of the wage-earning masses, but also against the social goals and conceptions of the bourgeois leading strata. The socialist project of a new society at first contained two elements. On the one hand, there was the claim to leadership by a class of skilled workers, which tested its ability to direct the production process itself in daily practice; it was simultaneously determined to seize power from the class of owners, whom it regarded as parasites and exploiters, in order to place the development of the productive forces at the service of emancipation and human needs. And on the other hand, there was the resistance of a disenfranchised and oppressed proletariat of women, children and men who toiled in workshops and factories at starvation wages, and had to fight for their political and economic rights. These unskilled labouring masses could only achieve the cultural and social perspectives with which to overcome oppression through an alliance with the skilled workers. Equally, the potential leading class of skilled workers drew, in part, legitimation for its claim to leadership from the unbearable immiseration of the proletarian masses, for whom the elimination of capitalist domination was a question of life and death; however, legitimation was also provided by man's domination of the forces of nature, embodied in the worker — above all in the versatile craft worker. The real subject of this domination was the worker himself, not only as 'global worker', but also as individualized bearer of irreplaceable human capacities and human skills.

Beyond the historicity of the central conflict between labour and capital, however, socialism signified more than its manifest political and social contents: more than emancipation of the disenfranchised, oppressed and exploited; more than just the claim to power of the immediate masters of nature. Resistance and the claim to power of the working class contained a fundamental critique, not only of the capitalist relations of production, but also of capitalist rationality itself, as expressed in commodity, market and competitive relationships.

Actions are economically rational in so far as they aim at the maximization of productivity. But this only becomes possible under two conditions: (1) productivity has to be separated from the individual singularity of the labourer, and it must be expressed as a calculable and measurable quantity; and (2) the economic goal of the maximization of productivity cannot be subordinated to any non-economic social, cultural or religious goals; it must be possible to pursue it ruthlessly. Only unlimited competition in a free market makes such ruthlessness possible, indeed compels it. Only the 'free market economy' permits economic rationality to make itself independent of the demands of sociality, in which it is embedded in all non-capitalist societies, and to withdraw from society's control — in fact, even to put society at its service.

### The Central Conflict

The central conflict out of which the socialist movement has developed, revolves, then, around the expansion or limitation of the areas in which economic rationality is allowed to evolve unhindered in market and commodity relationships. It is characteristic of capitalist society that relationships conducive to the realization of capital predominate in conceptions of value, in everyday life and in politics. The socialist movement opposes this with the striving after a society in which the rational-

ity of the maximization of productivity and profit is locked into a total social framework in such a way that it is subordinated to non-quantifiable values and goals, and that economically rational labour no longer plays the principal role in the life of society or of the individual. Socialism, understood as the abolition of economic rationality, assumes, consequently, that this has already fully evolved. Where, in the absence of market and commodity relations, it has not yet established itself, 'socialism' cannot put economic rationality at the service of a social project intended to dissolve it. Where 'socialism' understands itself as the planned development of not-yet-existing economic structures, it necessarily turns into its opposite: it reconstructs a society so that it is devoted to the economic development of capital accumulation. Such a society cannot assert its independence of economic rationality. It is 'economised' through and through.

The central conflict over the extent and limits of economic rationality has lost nothing of its sharpness and historical significance. If one understands socialism as a form of society in which the demands deriving from this rationality are subordinated to social and cultural goals, then socialism remains more relevant than ever. Nevertheless, the concrete historical contents as well as the actors of the central conflict have changed. This used to be conducted, culturally and politically, at the level of workplace struggles; it has gradually spread to other areas of social life. Other kinds of antagonism have been superimposed on the contradiction between living labour and capital, and have relativised it. The striving after emancipation, after free self-development, and to shape one's own life cannot assert itself without trade-union struggles for a reshaping of work and conditions of work, but it also demands actions on other levels and on other fronts, which may be equally important and at times even more so. The question as to the 'subject' that will decide the central conflict, and in practice carry out the social transformation, can consequently not be answered by means of traditional class analysis.

In Marxian analysis, the class of skilled workers was destined to rule over a totality of productive forces, so that a totality of human capacities would develop in each worker. The all-round developed individual would consequently be able to make himself the subject of that which he already was; that is, he would resist every external determination, take command of the production process, and set himself the goal of the 'free development of individuality' within and outside productive cooperation. Now unfortunately actual developments have not confirmed these predictions. Although in parts of industry an 'integral adaptation of tasks' (Kern/Schumann) becomes possible or even necessary, there can be no question — even in the case of the new versatile, skilled production workers — of a totality of skills commanding a totality of productive forces. The integrally adapted task always affects only the manufacturer of parts of an end product, (for example, of crank shafts, cylinder heads, gear boxes) or of their assembly and control. As a consequence of its ever greater complexity the total social production process demands a functional specialisation of tasks in all areas. Max Weber spoke in this context of *Fachmenschentum* (specialised mankind). But specialisation always stands in contradiction to the free all-round unfolding of individual capacities, even if it demands initiative, responsibility and personal commitment to the job. A computer specialist, a maintenance worker, a chemicals worker or a postman cannot experience and develop themselves in their work as creative human beings, materially shaping with hand and mind the world experienced through their senses. They can only succeed in doing so outside their professional employment. Specialisation — that is, the total social division of labour beyond the level of the individual plant — renders the production process opaque. In the course of their work the operatives can hardly influence at all the decisions which relate to the character, determination,

use-value and social utility of the end products. A process worker is in no way different, according to Oskar Negt, from the civil servant in a public body, who is also responsible only for sections of work cycles and for the precise execution of tasks that are placed before him. He makes a contribution to the functioning of areas which as a rule he knows nothing about.

The concept, which appears in Hegel and is then taken over by Marx, according to which labour is the material shaping of the world experienced by the senses, through which man becomes the producer of himself, was still valid seventy years ago for the overwhelming majority of the working class: it was employed in non-formalised activities in which individual know-how, physical strength, planning and self-organisation of the sequence of tasks played a decisive role. Today the majority of wage earners work in administration, banks, shops, transport, postal, caring and education services, where individual performance is usually not measurable, and labour has lost its materiality.

The 'modern male and female workers', who now take the place of the former versatile skilled worker, are not in a position, on the basis of their own direct experience of work, to question the meaning and social purpose of production simply by identifying themselves with their work. With 'modern male and female workers', the 'transformation of labour-process power' into a political claim to power can no longer develop, if at all, through an identification with their position in the production process. Rather, starting from the total social relationships of society, it demands a distancing from the experienced work task. Such a capacity is founded on the socialisation of male and female workers, because this socialisation does not in the first instance pass by way of learning a social role. In addition professional training develops capacities which are never utilised to the full within labour. This may require a sense of responsibility and independence, but always only to fulfil predetermined functions: it demands 'autonomy within heteronomy'.

However, the capacity to put capitalist relations of production fundamentally in question does not, at the same time, automatically incorporate practical possibilities that could lead in this direction. Such possibilities cannot be grasped by the male and female workers as such at the workplace (one thinks of the maintenance specialists in automated plants, of employees in nuclear power stations or in the chemical industry), but only in their capacity as citizen, as consumer, as tenant, or as the user of private and public facilities; here they participate in social relationships outside the workplace and experience themselves as belonging to a much larger community.

### New Cultures of Resistance

It can or should be the task of trade union work to animate this feeling of an expanded belonging, responsibility and solidarity, and the related distancing from a predetermined professional role. However, the trade union movement's understanding of itself would have to change. Its task would then no longer consist solely of representing and defending the interests of modern workers as such, but also of giving them the possibility of seeing their professional activity in relationship to an economic and political development determined by the logic of capital realisation. This can happen in many forms: through working groups; through public discussions and critical investigations, whose content is the social and political implications of technological innovations and their effect on the environment. What may be advantageous to the employees of one company, writes Hinrich Otjen, may under certain circumstances involve disadvantages or reduced future opportunities for others; and he continues: 'If the trade unions want to remain relevant, then at the very least a public debate on such conflicts of interest should be organised on the spot, because otherwise new movements, in which the workers can draw on their

various interests, will be more relevant to them than the trade unions. Up to now, trade-union immobility has frequently given workers cause to set up citizens' initiatives; they capitulate in the face of the trade unions' difficulties in organising such a dialogue internally.

At this point it becomes clear: for modern workers, socialist consciousness and the critique of capitalism do not usually have any direct connection with, or derive from, the lived experience of work. The 'subject' of a socialist project of society therefore no longer develops in the capitalist relation of production as class consciousness of the worker as such, but rather in a worker who as a citizen, for example, in his neighbourhood, is deprived of his social and natural lifeworld by the consequences of capitalist development, just as are most of the rest of his fellow human beings. It is very much in this sense that Horst Kern writes that there is no such thing as 'the natural recalcitrance of experience in the face of hegemonic limitation'. It is rather the case that modern workers' critical reflections are set free by the fact that they 'are confronted by the imperfection of the capitalist version of modern life not within, but largely outside, their actual professional roles'. Alain Touraine's thesis may also be valid here.

According to him, the central conflict is no longer the antagonism between living labour and capital, but that between the large scientific-technical-bureaucratic apparatuses, which I — following Max Weber and Lewis Mumford — have called the 'bureaucratic-industrial megamachine', and a population which feels itself robbed of the possibility of shaping its own life by a culture of experts, by external determination of its interests, by professional know-alls, and by technological appropriation of the environment. However, nothing should prevent one recognising the bureaucratic-industrial megamachine and its leading stratum as also the expression of an economic rationality characteristic of capitalism, which takes the shape of industrial growth, the realisation of ever larger quantities of capital, the monetarisation and professionalisation of social and interpersonal relationships.

The inadequacy of an analysis that relies principally on the cultural resistance to the 'colonisation of the lifeworld' contained in the 'new social movements', is that these movements do not consciously and concretely attack the domination of the economic rationality embodied in capitalism. These movements are certainly anti-technocratic, that is, directed against the cultural hegemony of the leading stratum of the ruling class, but they only strike at the cultural assumptions and social consequences of the relation of domination, not, however, at their economic-material core. The new social movements will become the bearers of socialist transformation when they ally themselves not only with the 'modern worker' but also with the contemporary equivalent of the disenfranchised, oppressed and immiserated proletariat — that is, with the post-industrial proletariat of the unemployed, occasionally employed, working short-term or part-time, who neither can nor want to identify themselves with their employment or their place in the production process. Estimates, according to which this group is likely to make up 50 per cent of the wage-earning population in the 1990s, are proving by now to be realistic: in West Germany, as well as in France, more than half of the workers newly started in recent years are employed in precarious or part-time jobs. Workers who are employed in this way already constitute in total more than a third of the wage-earning population. Together with the unemployed, that makes a 'post-industrial proletariat' of 40–45 per cent in Great Britain, and in the United States as much as 45–50 per cent. The two-thirds society has already been left behind.

Now it would be a mistake to see in the 40 per cent excluded from normal full-time working relationships only people who long for a full-time job. In its most recent research into the subject of the 35 hour week, the Italian metal-workers' union,

Fiom-Cgil, comes to the same conclusion as similar studies in France and West Germany. According to this, we are dealing with a social transformation that is leading to a situation in which work occupies only a modest place in people's lives. Work as wage-labour is losing its centrality, though it is more a question of a decline of the socialisation function of work than of a refusal to work. Work is only desired if it possesses the character of autonomous and creative activity. Otherwise it is viewed solely with respect to the income deriving from it, and for women also as a way of achieving independence from the family.

Rainer Zoll also came to similar conclusions as a result of exhaustive research, with reference above all to young people. He concludes that 'the breaking up of the old identity structures' throws young people back on themselves 'in their search for an identity of their own'. They could never achieve the total, fixed identity that results from traditional family and corporate professional roles, but at best an open one, based on 'self-realisation', legitimated by communicative intercourse, but never definitive. The choice of professions potentially available to a young person was greater than ever, but the chances of actually finding what s/he was looking for — namely a job with creative and socially useful aspects in which s/he could realise him/herself — were extremely limited. The number of such workplaces is estimated at 5 per cent. It was therefore understandable that many had already given up the race before it had even begun. The evident consequence of this situation was that individuals transferred the search for self-realisation to other terrains. It should therefore be no surprise that, according to an Italian survey already a few years old, young people frequently prefer to take part-time work, to enter precarious or short-term situations, and to pursue if possible, by turns, a variety of activities; even among university students with limited means, the professional activity most frequently preferred was that which left most time for one's own cultural activities. The impossibility of creating stable, socially useful, and economically rational full-time jobs for almost half of the wage-earning population corresponds, therefore, to the desire of a significant proportion of younger wage-earners not to be tied, either full-time or for life, to a career or professional employment which only very rarely makes use of all personal capacities and cannot be regarded as self-realisation.

### **Limiting the Sphere of Economic Rationality**

Now what connects this post-industrial proletariat of wage-earners, who cannot identify themselves with their position in the productive process, with the 'modern worker'? Both strata experience the fragility of a wage relation based on measurable work-performance. It is the case, both for those not working full-time or all the year round, or precariously employed, as it is for the core work forces of 'modern workers', that their effective labour is not constantly required. The first group is needed for limited, usually short-term, foreseeable units of time; the second is needed for situations that are frequently quite unpredictable, which can occur several times a day, or only relatively seldom. 'Process workers', maintenance specialists, also firemen or caring professionals, must be constantly available, and in an emergency also work twenty hours without a break. They are paid for their availability and not only for their qualifications. They are on duty even when they are not active. In the case of the precariously employed, by contrast, only that time is paid during which they are performing effective work, even though it is of the utmost importance to industry and services that flexible, willing and capable labour is available at short notice. It is for exactly this reason that the demand that they also be paid for their availability during interruptions of the wage relation, which are no fault of theirs but advantageous to business, is quite legitimate.

It is therefore a question of uncoupling income and work time, and not income and work itself. This demand is altogether rational, since as a consequence of increases in productivity through technical innovation the total economic production process requires less and less labour. Under these circumstances it is absurd to continue to make the wages paid out by the economy as a whole dependent on the volume of labour performed, and the individual income dependent on individually performed work time. Work time as the basis for the distribution of socially produced wealth is clung to solely for reasons of ideology and political domination. For the post-industrial proletariat that is not employed full-time or all the year round, the wage relation becomes the manifest expression of a relation of dominance whose previous legitimacy derived from the now untenable rationality of the production ethic. The common goal of the 'modern workers' and the post-industrial proletariat is to free themselves from this relation of dominance. However, this goal is pursued by them in very different ways. For the post-industrial proletariat of marginal men and women workers, it is principally a matter of being able to transform the frequent interruptions to their wage-labour relationship into new areas of freedom; that is, to be entitled to periodic unemployment, instead of being condemned to it. For this purpose they need the right to a sufficient basic income which permits new lifestyles and forms of self-activity. For the core work forces of 'modern male and female workers', and for others with full-time jobs, forms of control over working time, such as self-determined flexibility of working hours or even linear reductions in the length of the working week, may seem more attractive.

This may appear to be a new form of the earlier social stratification, with its distinction between skilled workers on the one side and proletariat on the other. As in earlier times, the contemporary proletariat is rebelling principally against the arbitrariness of relations of dominance that express themselves in the absurd compulsion to live from wage labour of which not enough is available; while autonomy within and outside professional life becomes the main desire of 'modern male and female workers'. The divisions between the two strata are consequently much more fluid than they may first appear to be, and could to a great extent be removed. Progressive general reductions in working hours must logically lead to a redistribution of work, number of wage earners; and at the same time the right and the possibility of interruptions of the wage-labour relation could apply to everyone. An alliance of both strata does indeed seem feasible, especially on the question of the demand for reduced working hours, provided that such a demand does not become a straitjacket but enhances autonomy within and outside labour.

Reduction in the average annual working time, or even in the quantity of labour performed in the course of four or six years, entitling the wage earner to an uncut income, offers in this respect the greatest scope and possibilities of choice. The 30-hour week, for example, whose achievement the trade unions and left-wing parties of most European countries have set themselves as a goal, corresponds to an annual working time of approximately 1,380 hours, and combined with the right to a sabbatical year, an average of approximately 1,150 hours annually. A society that no longer needs all its labour power full time and all the year round can also easily provide for reductions in working hours, without loss of income, in the form of the right to longer breaks from work. Until the beginning of the twentieth century, journeymen and skilled workers always took this right. Variety, tramping, collecting experiences were for them part of human dignity. Consequently a reduction in working time must be regarded 'not only as a technocratic means to a more just distribution of work', which allows everyone to acquire an indisputable right to their share of social wealth, 'but as the society-transforming goal of procuring more "disposable time" for human beings.' This time may be used however one likes,

depending on one's situation in life, to experiment with other lifestyles or a second life outside work. In any case it limits the sphere of economic rationality. It has a socialist significance in so far as it is combined with a social project that puts economic goals at the service of individual and social autonomy.

Jacques Delors has pointed out that forty years ago a twenty-year old worker had to be prepared to spend a third of his waking life at work. Today his working time only amounts to a fifth of his waking time, and it will shrink further. From the age of fifteen, one spends more time in front of the television today than at work. If a socialist movement does not focus on cultural, interpersonal, community life as intensively as it does on working life, it will not be able to succeed against the capital-realising leisure and culture industry. It only has a chance if it consciously insists on the creation of expanding free spaces for the development of a many-sided, communicative, every-day culture and everyday solidarity liberated from commodified relations of buying and selling.

The expansion of areas freed from economic calculation and immanent economic necessities cannot mean that a socialist economy or alternative economy is taking the place of the capitalist one. There exists, up till now, no other science of management except the capitalist one. The question is solely to what extent the criteria of economic rationality should be subordinated to other types of rationality within and between companies. Capitalist economic rationality aims at the greatest possible efficiency, which is measured by the 'surplus' obtained per unit of circulating and fixed capital. Socialism must be conceived as the binding of capitalist rationality within a democratically planned framework, which should serve the achievement of democratically determined goals, and also, of course, be reflected in the limitation of economic rationality within companies.

Consequently, there can be no question of dictating to public or private companies conditions which make the calculation of real costs and performance impossible, or which are incompatible with initiatives aiming at economic efficiency, and consequently prevent economically rational company management. Reduction in working time cannot, if it is to have general validity — which on the grounds of justice it must have — take place purely at the individual company level and be dependent on a particular company's increases in productivity. The equalisation of incomes, together with a general reduction in working hours guaranteed to all, can also not be financed by a general taxation on increases in company productivity (machine tax), but must be guaranteed by indirect taxes, applicable to every European Community country, which are cost-neutral for the businesses. But that is already another chapter.



**Title:** Socialist Digest, No. 1  
**Organisation:** Workers' Party  
**Date:** 1991

Downloaded from the Irish Left Archive.  
Visit [www.leftarchive.ie](http://www.leftarchive.ie)

*The Irish Left Archive is provided as a non-commercial historical resource, open to all, and has reproduced this document as an accessible digital reference. Copyright remains with its original authors. If used on other sites, we would appreciate a link back and reference to the Irish Left Archive, in addition to the original creators. For re-publication, commercial, or other uses, please contact the original owners. If documents provided to the Irish Left Archive have been created for or added to other online archives, please inform us so sources can be credited.*