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Marxism

# Ernest Mandel and the Marxian Theory of Bureaucracy

- Features -

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**The emergence and growth of bureaucracy, the non-propertied officialdom of various organizations, over the last two hundred years has been the subject of considerable discussion among social scientists. Conventional, bourgeois sociology argues that bureaucratic hierarchies are an unavoidable feature of modern societies, whose size and complexity preclude any possibility of popular democratic control over political, economic and social life.**

Max Weber saw bureaucracy as the most rational and effective mode of organizing the activities of large numbers of people because it ensured decision-making according to general rules rather than the whims of officials, cultivated trained “experts”, and reduced the possibilities of corruption and nepotism. [1] Robert Michels extended Weber's theory of bureaucracy, originally developed to analyze the officialdom of the capitalist state, to the study of the mass working class parties and unions of the early twentieth century. [2] The “iron law of oligarchy”, today embraced by social-democrats and neo-Stalinists, purports that the growth and usurpation of power by a layer of full-time officials are inevitable features of mass working class parties and unions under capitalism and of any post-capitalist social order.

Ernest Mandel's work provides a powerful Marxian alternative to the Stalinist, social-democratic and bourgeois theories that deny the possibility of democratically organized workers' struggles and workers' power in the modern world. In a series of works, [3] Mandel presented a complex, coherent and empirically well grounded response to the notion that the arrogation of power by a minority of officials and experts is the “inevitable” result of complex, large-scale, modern social organization. Mandel argued that bureaucracy is the product of specific, historically limited relations among human beings and between human beings and the natural world-of specific social relations and material forces of production. Mandel's theory of bureaucracy provides a contemporary defense, extension and deepening of the classical Marxist discussion of bureaucracy, in particular the work of Rosa Luxemburg and Leon Trotsky.

For Mandel, the emergence of bureaucracies in both the mass working class parties and unions under capitalism and in the post-capitalist societies is rooted in the reproduction of the social division of labor between mental-supervisory and manual labor. Whether the product of the episodic character of working class struggle under capitalism, or profound material scarcity in the case of twentieth century post-revolutionary societies, the persistent division between “head” work and “hand” work gives rise to a layer of full-time officials who administer either mass parties and unions or the post-capitalist state apparatus. This layer, in most circumstances, evolves into a distinct social layer with its own material interests, politics, and ideology. The development of the bureaucracy does not enhance the “efficiency” and effectivity of mass workers organizations under capitalism or of centrally planned economic life in the post-capitalist societies. Instead, the officialdom's monopoly of power *undermines* the ability of the working class to either defend its most immediate interests under capitalism or to build a viable alternative to capitalism. Mandel's theory of bureaucracy is one of the central scientific foundations of the revolutionary political project of working class self-activity, self-organization and self-emancipation.

Our discussion of Mandel's theory of bureaucracy is divided into three parts. In the first, we will examine Mandel's analysis of the origins and role of the labor bureaucracy in the capitalist social formations, and his theory of the revolutionary workers' organization as an alternative to bureaucratic reformism. We will also assess Mandel's attempt to explain why, contrary to the expectation of revolutionary Marxists, no truly mass revolutionary parties have emerged in the advanced capitalist countries since the 1920s. In the second part, we will review Mandel's attempt to update and refine Trotsky's analysis of the bureaucracy in the post-capitalist societies. Specifically we will grapple with the issue of whether the bureaucracy's relationship with the working class constitutes a new mode of production, and whether these regimes can be understood as “workers' states” in any meaningful, Marxian sense. We will

conclude with a discussion of the political importance of Mandel's theory of bureaucracy.

### I. THE LABOR BUREAUCRACY IN THE CAPITALIST SOCIAL FORMATIONS

The classical Marxist discussion of the labor bureaucracy began as an attempt to explain the growth of reformism within the mass socialist parties of the early twentieth century. The leaders of the revolutionary left-wing of European socialism did not merely criticize the theory and practice of the mainstream of social-democracy, but attempted to uncover the social and material roots of the labor movements' conservatism and ultimate capitulation to their national capitalist classes during the first World War. Given the practical revolutionary success of the Bolsheviks, it was not surprising that Lenin's thesis on the degeneration of social democracy became, in Mandel's words, "the *â€*dogma' for revolutionary Marxists for nearly half a century." [4] According to Lenin, the growth of reformism in the labor movement in the advanced capitalist countries was the ideological expression of the "labor aristocracy," a privileged minority of the western working class whose superior standard of living came from a share of the "super profits" extracted by the imperialist bourgeoisie in the colonies and semi-colonies. This layer of workers supported the "petty-bourgeois intellectuals" in the party and union apparatus who propagated reformist and "social patriotic" politics before and during World War I. [5]

Mandel was the first thinker in the revolutionary Marxist tradition to reject explicitly Lenin's notion of the "labor aristocracy." Mandel cites three important reasons for jettisoning the notion that a layer of workers in the imperialist countries share in the "super-profits" extracted from workers in the "third world." First, the multinational corporations' total profits from their direct investments in Africa, Asia and Latin America can not account for the wage bill of even the most well paid, unionized workers in the industrialized countries. Put simply, workers in the "third world" do not produce sufficient surplus value to "bribe" a significant sector of the working class in the Europe, the US or Japan. Second, the gap between the wages of workers in the "north" and "south" is much greater than wage differentials among workers in the "north." In other words, the entire working classes of Europe, the US and Japan are potential "labor aristocracies." But, Mandel points out, these global wage differentials are the result of the greater capital intensity (organic composition of capital) and higher productivity of labor (rate of surplus value) in the advanced capitalist social formations, not some sharing of "super profits" between capital and labor in the industrialized countries. Put simply, the better paid workers of the "north" are *more exploited* than the poorly paid workers of the "south." Finally, Mandel points out that some of the best paid workers in Europe, the U.S. and Japan, especially those in the metal working industries, were among the most militant and radical proletarians, providing the mass base of the revolutionary Communist parties of the 1920s and early 1930s. [6]

Mandel found a more fruitful Marxian discussion of the labor bureaucracy under capitalism in the work of Rosa Luxemburg. [7] Luxemburg, well before either Lenin or Trotsky, understood that the emergence and development of the trade union and party officialdom was the key to German social-democracy's growing conservatism. [8] In the wake of the Russian revolution of 1905, Luxemburg encountered opposition to her advocacy of the "mass strike" as a tactic for the German workers' movement from both the openly "revisionist" wing of the SPD led by Bernstein, and from the "orthodox Marxist" leadership of the party around Kautsky and Bebel. She concluded that the full-time party and union officials' hegemony over the SPD, not simply the influence of middle class intellectuals, was the root of the entire leadership's refusal to countenance any activities other than election campaigns and routinized collective bargaining. For Luxemburg, this bureaucracy, once consolidated in the mass working class institutions, placed greater importance upon the preservation of the party and union apparatus than on any attempt to deepen and extend the workers' struggles.

Mandel located the origins of the labor bureaucracy in the episodic and discontinuous character of working class struggle under capitalism. For Mandel, the necessary condition for the development of class consciousness is the self-activity and self-organization of the workers themselves. It is the experience of mass, collective and successful struggles against capital and its state in the work place and the community that opens layers of workers to radical and revolutionary political ideas. When workers do not engage in mass struggle or suffer defeats, they become open

to conservative and reactionary ideas as one section of the class makes a futile attempt to defend their particular sectional (national, occupational, racial-ethnic, gender) interests against other sectors of the working class. In sum, it is the level of class militancy and independence, not cultural influences like suburbanization, television, films and the like, that determines the basic parameters of class consciousness under capitalism. [9]

The working class cannot be, as whole, permanently active in the class struggle. The entire working class cannot consistently engage in strikes, demonstrations and other forms of political activity because this class is separated from effective possession of the means of production and is compelled to sell their labor power to capital in order to survive. The “actually existing” working class can only engage in mass struggles as a class in extraordinary, revolutionary or pre-revolutionary situations, which, because of the structural position of wage labor under capitalism, must be of short duration. Most of the time, different segments of the working class become active in the struggle against capitalism at different times.

In the wake of successful mass struggles, only a minority of the workers remain consistently active. Most of this “workers' vanguard”—the layer of workers who “even during a lull in the struggle...does not abandon the front lines of the class struggle but continues the war, so to speak, “by other means” [10] —preserves and transmits to newer workers the traditions of mass struggle in the workplace or the community. However, a minority of this “militant minority”, together with middle class intellectuals who have access to cultural skills from which the bulk of the working class is excluded, must take on responsibility for administering the unions or political parties created by periodic upsurges of mass activity. Mandel recognized that “the development of mass political or trade-union organizations is inconceivable without an apparatus of full-timers and functionaries.” However, he points out that the emergence of a layer of full time officials brings with it the:

*risk that working-class organizations will themselves become divided between layers exercising different functions. Specialization can result in a growing monopoly of knowledge, of centralized information. Knowledge is power, and a monopoly of it leads to power over people... if not checked, [this can-CP] mean a real division between new bosses and the bossed-over mass. [11]*

During the unavoidable lulls in the class struggle, when the vast majority of the working class is passive, the potential for bureaucratization is actualized. Especially during “long-waves” of capitalist growth, when most workers' living standards and working conditions improve without tumultuous, mass struggles, the officialdom of the mass workers organizations can separate themselves from the rest of the working class. Those workers who become officials of the unions and political parties begin to experience conditions of life very different from those who remain in the workplace. The new officials find themselves freed from the daily humiliations of the capitalist labor process. They are no longer subject to either deskilled and alienated labor or the petty-despotism of supervisors. Able to set their own hours, plan and direct their own activities, and devote the bulk of their waking hours to “fighting for the workers”, the officials seek to consolidate these privileges and create new ones, in particular incomes substantially higher than those of the workers they purportedly represent. In defense of their privileges, which become quite substantial as the unions and mass working class parties gain a place in bourgeois society, the labor bureaucracy excludes rank and file activists in the unions and parties from any real decision making power.

The consolidation of the labor bureaucracy as a social layer distinct and separate from the rest of the working class under capitalism gives rise to its distinctive political practice and world-view. The preservation of the apparatus of the mass union or party, *as an end itself*, becomes the main objective of the labor bureaucracy. The labor bureaucrats seek to contain working class militancy within boundaries that do not threaten the continued existence of the institutions which are the basis of the officials' unique life style. Thus the “dialectic of partial conquests”, the possibility that new struggles may result in the destruction of the mass organizations of the working class, buttress the labor bureaucracy's reliance on electoral campaigns and parliamentary pressure tactics (“lobbying”) to win political reforms, and strictly regimented collective bargaining to increase wages and improve working conditions. Any and all discussion, no less attempts to promote the tumultuous self-activity and self-organization of working and

oppressed people in the forms of militant workplace actions, mass political strikes or the like, must be quashed. [12] At this point, the bureaucracy's organizational fetishism (giving priority the survival of the apparatus over new advances in the struggle) grows into a substitutionism that demands the workers' unquestioning obedience to leaders who claim they know "what is best for the workers."

As Mandel never tired of pointing out, the reformist substitution of electoral politics and routinized bargaining for mass struggles ignores "the *structural character* of the basic relations of production and of political and social class power." [13] In other words, the politics of the labor bureaucracies in the capitalist social formations are *utopian* in the most negative sense of the word. [14] The labor bureaucracies' attempts to broker the struggle between capital and labor, modifying very gradually the relationship of forces in favor of the workers constantly flounders on capitalism's unavoidable crises of profitability and the resulting intensification of the class struggle. The history of both the classical social-democratic parties and the Communist parties after 1935, when they began their transformation into reformist parties, [15] sadly confirms the thoroughly unrealistic character of the bureaucracy's gradualism. During revolutionary and pre-revolutionary crises, like those in Italy in 1920, Germany during 1918-1923, Spain and France in 1936-37, and Chile in 1970-73, the social-democratic and Stalinist parties successfully disorganized the workers' struggles and organizations (workers' councils, factory committees and the like) in the name of preserving bourgeois democracy and the past conquests of the workers' movement. Unfortunately, the derailing of mass revolutionary struggles did not merely waste opportunities to seize state power and begin the construction of a new democratic and socialist order, but opened the road to the forces of reaction. The Italian fascists' victory in 1921, the Nazi's seizure of power in 1933, Franco's military victory in 1939, the collapse of the French Third Republic in 1940, and Pinochet's coup of September 11, 1973 were all the products of the working class' inability to seize power when the opportunity presented itself. In sum, the labor bureaucracy's attempt to "self-limit" the workers' struggles within the boundaries of capitalist democracy facilitated the consolidation of dictatorial and repressive forms of capitalist rule. [16]

The reformist substitution of electoral campaigns, parliamentary pressure politics and bureaucratized collective bargaining for working class and popular mass action has led to profound disorganization and passivity in the ranks of the labor movement in the west since the second World War. While such bureaucratic forms of "struggle" were able to "deliver the goods" in the form of higher wages, improved benefits, stabilized working conditions and an expanding "welfare state" during the "long wave" of expansion of the 1950s and 1960s, this strategy proved completely inadequate during the "long wave" of stagnation that began in the late 1960s. As the crisis of capitalist profitability deepened, reformism's substitutionism gave way to *realpolitik* - adapting to the new "reality" of declining living and working conditions. As Mandel pointed out:

*..the underlying assumption of present-day social-democratic gradualism is precisely this: let the capitalists produce the goods, so that governments can redistribute them in a just way. But what if capitalist production demands more unequal, more unjust distribution of the "fruits of growth"? What if there is no economic growth at all as a result of capitalist crisis? The gradualists can then only repeat mechanically: there is no alternative; there is no way out. [17]*

Eschewing militancy and direct action by workers and other oppressed people, the labor bureaucracy and reformist politicians in the west have *no choice* but to make concessions to the employers' offensive and to administer capitalist state austerity. The spectacle of reformist bureaucrats shunning the struggle for reforms has been repeated across the capitalist world in the last two decades with tragic results: from the Italian Communist party's embrace of austerity, to the concession bargaining of the US AFL-CIO officials, to the Mitterand regimes' budget cuts, privatization and deregulation, to the subjugation of an ANC-COSATU led government in post-apartheid South Africa to what some have called the "sado-monetarism" of the IMF and World Bank. Again, even the most moderate forms of social-democratic gradualism prove to be profoundly utopian-unable to defend the workers' past gains no less win significant new reforms during the crisis of capitalist profitability. [18]

Given its roots in the necessarily episodic character of mass struggle under capitalism, is the bureaucratization of the mass organizations of the working class inevitable? Clearly, Mandel's theory of the labor bureaucracy in the

capitalist social formations lead us to the conclusion that reformism will continue to be a problem in the workers' movement until capitalism is overthrown internationally. However, Mandel's theory also identifies countervailing social forces to, and safeguards against the bureaucratization of the political parties and trade unions. In perhaps his greatest political-theoretical contribution, his elaboration and clarification of the Leninist theory of organization, [19] Mandel demonstrates how the same episodic process of class struggle that creates the environment for the growth of the labor bureaucracy provides the human material for a mass, revolutionary workers' party. Out of the ebbs and flows of the class struggle, a workers vanguard is precipitated. The ability of a revolutionary socialist nucleus to organize and eventually fuse with the most active, militant and radical workers creates a variety of potential counter-weights to the labor bureaucracy.

In non-revolutionary periods, non-socialist organizations of "advanced workers" in organized and unorganized workplaces-what in the US we call "rank and file" currents-play an important role in keeping alive traditions of militancy and solidarity in the workers' movements and fighting for effective, democratic safeguards (election of officials, reduction of salaries, free debate and discussion of competing positions, etc.) in the unions and popular organizations. Often such organizations are able to displace the party and union bureaucracies and lead important successful day-to-day struggles that develop the political and ideological self-confidence of the workers. Even in non-revolutionary periods, relatively small revolutionary socialist groups play a crucial role in organizing these "rank and file" currents and in educating the most radical workers in Marxian theory and politics. In revolutionary and pre-revolutionary conjunctures, the effective fusion of revolutionary nuclei with the broad vanguard of the class into a real revolutionary workers party could open the possibility of socialist revolution. A mass revolutionary party with significant roots in the workers' movement can help promote the formation and centralization of organs of working class power (councils in the neighborhoods, workplaces, schools), pose a practical alternative to the reformist bureaucrats attempts to limit the struggles within limits compatible with capitalist profitability and political power, and lead a successful seizure of power. [20]

The questions remains, despite the evident inability of the bureaucracies in the unions and reformist parties to organize even the most elementary, defensive struggles against the employers' offensive and the capitalist austerity drive, why have we not seen the emergence of truly mass revolutionary parties since the 1920s? In the late 1930s, Trotsky and his supporters in the Fourth International believed that the second World War would lead to a terminal crisis of bureaucratic rule in the USSR and a rapid collapse of the Stalinist Communist parties in capitalist Europe, opening the road to building new, mass revolutionary workers' organizations. Again in the late 1960s and early 1970s, with the beginning of the "long-wave" of economic stagnation and the tumultuous rise of workers struggles across the capitalist world, revolutionary socialists inside and outside the Fourth International expected their relatively small organizations to grow rapidly and become rooted in the insurgent layers of the working class. Ernest Mandel was certainly not immune to the enthusiasm of this period:

*The essential function of the period from 1968 to the present day [c. 1977â€"CP] has been to allow the far Left to accumulate sufficient forces to enter this revolutionary period with the realistic possibility of winning over the majority of the working class. [21]*

The revolutionary left's optimism, often bordering on triumphalism, was sorely disappointed as the wave of mass strikes and pre-revolutionary upsurges of the early 1970s turned into the uninterrupted retreat of the working class across the industrialized world in the 1980s and early 1990s. As the capitalist offensive proceeded with few challenges, most of the generation of students and young workers radicalized in the late 1960s and 1970s abandoned revolutionary politics, and the promising revolutionary organizations of the earlier period stagnated or went into decline. It is only in the past year, with the massive and generally successful public sector workers strike in France, the anti-austerity strikes in Canada, and the still fragmented industrial actions like the Dayton autoworkers' strike in the US, that we see the possible beginnings of a new combativity on the part of the working classes of advanced capitalism.



Mandel in the late 1970s offered some tentative explanations for why the upsurge of the late 1960s and early 1970s had not transformed the European revolutionary left into organizations of several tens of thousands of worker revolutionaries. On the one hand, he pointed to what he saw as a temporary disorientation of the new “militant minority” that had arisen in the European labor movement since 1968. The global recession of 1974-75 and the beginnings of the employers' offensive and austerity drive, coinciding with the defeat of the Portuguese Revolution:

*...caught the working class unawares and unprepared... I mean the bulwark of the working class, the vanguard, the organizing cadres, the shop stewards—all those comrades who have been in the forefront of the proletarian struggle in the past period. These comrades were well seasoned and experienced in mounting struggles to defend real wages against inflation, but they were not at all prepared for a fight against massive unemployment. This lack of experience was compounded by the total capitulation of the bureaucracy—the Communist Party in Italy and Spain, Social Democracy in most other countries—to the ideological and political aspects of the bourgeois offensive on this front...*

However, Mandel believed that this working class “has now been thrown onto the defensive temporarily.” [22] With nearly twenty years of hindsight, it is quite clear that Mandel gravely underestimated the set-back suffered by the European workers' movement.

On the other hand, Mandel was aware of some of the cumulative effects of the transformation of the Communist parties into reformist organizations in the 1950s and 1960s. In particular, Mandel noted:

*...the disappearance of an anti-capitalist tradition is a relatively recent phenomenon, one which accompanied the definitive turn of the Communist Parties in the industrially advanced countries at the end of the Second world War, and especially at the end of the Cold War. This sort of anti-capitalist education had continued even during the Popular Front... Today, Social democratic and Stalinist reformism are joining forces to keep the working class a prisoner of bourgeois and petty-bourgeois ideology. But any vision of the class struggle that focused exclusively on this aspect of reality would underestimate the almost structurally anti-capitalist mainsprings inherent in the class struggle during any phase of pronounced instability. [23]*

Ultimately, the obstacles to the construction of a mass revolutionary party after 1968 were, in Mandel's opinion, of an extremely transitory character. In a relatively short period of time, he believed revolutionary organizations would be able to sink roots in the activist workers' vanguard and establish small mass parties with tens of thousands of members in the major capitalist countries.

As the “temporary” set-back of the workers' struggles in the late 1970s turned into the prolonged capitalist offensive of the 1980s and 1990s, Mandel's political co-thinkers in the Fourth International began to look at more long-term obstacles to the building of mass revolutionary parties in the advanced capitalist countries. In documents adapted at the last three World Congresses of the Fourth International there has been a recognition that the 1950s and 1960s saw a profound break in the history of the workers' vanguard. The notion that revolutionaries merely had to win over already militant, anti-capitalist workers from the existing bureaucratized parties has been replaced by a perspective that envisioned a gradual recomposition of the workers' vanguard through new mass defensive struggles. In the words of a resolution of the most recent World Congress of the Fourth International:

*...a new accumulation of mass experiences, partial victories and radicalization of new generations is needed to bring together all the conditions of a new leap forward in building vanguard organizations that will be both revolutionary and internationalist. The crisis of the revolutionary vanguard can in fact no longer be posed in the terms of the 1930s. Today it is not only a matter of changing a bankrupt leadership. The necessary recomposition will not be limited to a change in the balance of power within the organized workers' movement as it exists today. It has to go through the gradual reorganization of the difference emancipation social movements internationally. This will be a long process, which may be accelerated by certain big events in the world class struggle. [24]*

Mandel's theory of bureaucracy, and his analysis of the social and political transformation of the western Communist parties actually holds the key to explaining the virtual disappearance of a massive layer of radical and revolutionary workers. Mandel, following Trotsky, saw the Seventh World Congress of the Communist International as the turning point in the evolution of the Stalinist parties in the advanced capitalist countries. [25] The "popular front" strategy transformed the Communist parties politically and sociologically. Politically, the CPs adapted the traditional strategy of reformism—the defense of bourgeois democratic institutions as the best guarantors of the "historic gains" of the labor movement. Sociologically, the "popular front" led to the wholesale integration of the Communist parties into the labor bureaucracies in France, Italy and (in the late 1960s) Spain. In other words, the CPs were transformed from parties of rank and file worker militants who actively organized in their workplaces against both the bureaucrats and the employers, into recruiting grounds for trade union and party functionaries. Combined with the effects of the long-wave of economic expansion in the 1950s and 1960s, the social transformation of the Communist parties all but destroyed the traditions of militancy, solidarity, democracy and anti-capitalist radicalism defended by the mass workers' vanguard since the late nineteenth century. This new situation poses new and difficult tasks for revolutionary Marxists in the west. While continuing revolutionary socialist propaganda and education aimed at recruiting and training workers activists as Marxists, they must also play an active and leading role in reorganizing a workers' vanguard, around a "class struggle", but not explicitly socialist, program of militancy, solidarity, democracy and political independence. [26]

## II. THE BUREAUCRACY IN THE POST-CAPITALIST SOCIETIES

Mandel's theory of the Stalinist bureaucracies in the post-capitalist societies deepened Trotsky's pathbreaking Marxist analysis of the origins and contradictions of the bureaucratic rule of the Soviet Union. [27] The bulk of the Bolshevik leaders in the 1920s viewed the growth of the full-time officialdom in the post-revolutionary party and state, in Mandel's words, "as a purely power-political, institutional... administrative problem" because of their "substitutionist concept of the party-worker relationship: the dictatorship of the proletariat is exercised by the party under the leadership of its Leninist Central Committee." In other words, most Russian revolutionaries saw the problem as one of "bureaucratism"—inefficient administration and bad-decision making by incompetent officials. In 1923, Trotsky was the first Marxist to understand that:

*the transformation of ...[the Soviet] bureaucracy into a specific social layer with its own particular material interests. The party apparatus defended its monopoly of political power as a means of defending and extending its own material interests.* [28]

For Mandel, Trotsky's understanding of the material roots and character of the Stalinist officialdom enabled him to develop both a rigorous Marxian analysis of the dynamics and contradictions of the bureaucratized Soviet society, and a consistent political strategy, based on the revolutionary self-organization and self-activity of the workers, to oppose bureaucratic rule.

Mandel and Trotsky's theory of the bureaucratization of post-capitalist societies begins from Marx's assertion of the necessity of a phase of transition between capitalism and socialism. [29] To move immediately after the global (no less than a merely national) overthrow of capitalism (an economy of generalized commodity production and growing inequalities within and between societies), to socialism, (an economy of democratic planning by the "freely associated producers" where social inequality and the state are "withering away") is impossible because capitalism prevents the even and steady development of labor productivity to its fullest potential. While the application of science and technology to the production process on a global scale in the late twentieth century would allow all humans' basic needs to be met relatively quickly and painlessly, this would require a:

**restriction of needs to the most elementary ones:** men would have to be content with eating just enough to appease their hunger, dressing quietly, living in a rudimentary type of dwelling, sending their children to schools of a



quite elementary kind and enjoying only a restricted health service. [30]

In order for the entirety of humanity to enjoy a standard of living and, even more importantly, a *reduced working day* that will allow them to develop their fullest potential, eliminate economic inequalities and promote the “withering away” of the state, a further development of the global productive forces is necessary. This, in turn, requires the preservation of certain norms of “bourgeois distribution” - to each according to their *labor*, rather than their *needs*. The wage form, money, markets for certain consumer goods, and a state apparatus that ensures that all will work are necessary features of a society in transition to socialism. While the classical Marxist tradition believed that workers' democracy was possible and necessary to a successful transition, they also recognized that the maintenance of the state and “bourgeois norms of distribution” carried with it the possibility of the development of new forms of social inequality and conflict. However, revolutionary Marxists before the mid- 1920s believed that a rapid victory of a world socialist revolution, especially its spread to the most industrially advanced capitalist societies, would greatly reduce these dangers. [31]

The actual development of the world revolution in the twentieth century, the historic “stalemate in the international class struggle” [32] that developed after 1923, confronted the revolutionary Marxist movement with a completely unexpected situation. Rather than beginning the global transition to socialism in a number of countries, including the more industrialized like Germany and Italy; the revolution was isolated in the most economically backward part of Europe, the former Russian empire. Russia's economic backwardness was compounded by the devastating effects of the civil war-the death of much of the generation of revolutionary workers who had made the October revolution, extensive destruction of the country's meager industrial base and the dispersal of the bulk of the industrial proletariat to the countryside. The failure of the German and Italian revolutions, for which the social-democratic bureaucracies bear major responsibility, created a situation in Russia where all of the inherent contradictions in a transitional society - between socialized production and bourgeois distribution - were intensified.

The absence of the two main preconditions for a successful transition to socialism - material abundance and a large and concentrated proletariat - created the environment for the growth of the Soviet bureaucracy. A layer of full-time state and party officials separate from the mass of workers emerged first to administer the distribution of scarce goods and services among the population. During the civil war, the number of state and party officials began to grow, as the Soviets requisitioned grain from the peasants to feed the urban workers and Red Army, and attempted to organize the shrinking state-owned industries for war production. The party and state bureaucracy mushroomed in the 1920s under the New Economic Policy, which allowed for the revival of commodity production and circulation in both the cities and countryside. In the late 1920s and 1930s, the Soviet bureaucracy deepened its grip over the state institutions and state owned means of production with the disastrous collectivization of agriculture and the creation of the “command economy.” The bureaucracy, through its purge of the party and state apparatus in the late 1930s, dispersed and disorganized all opposition, particularly from the working class and peasantry, and consolidated their political power and enormous material privileges. [33]

Like Trotsky before him, Mandel emphasized the objective, material sources of the bureaucratization of the Soviet Union. On the one hand, the need for an agency, “above society”, to distribute goods in a situation of extreme material scarcity provided a fertile environment for the growth of the party-state officialdom. On the other, the dispersal of the industrial proletariat through unemployment undermined the activist social base of Soviet democracy. [34] However, both Mandel and Trotsky recognized that the Bolsheviks' made important subjective political errors that contributed to the victory of the Stalinist bureaucracy, particularly after the revolutionaries victory in the civil war. Trotsky and Mandel argued that the decisions of the Tenth Congress of the Communist Party in 1921 “the blanket prohibition on all opposition parties from participation in the Soviets and the ban on opposition factions within the ruling party” “hindered rather than promoted the self-activity of the Russian workers.” [35] These decisions undermined the ability of the Soviet workers, even the most politically active party members, from organizing themselves against the emerging bureaucracy, and gave these bureaucracies a potent ideological weapons against any and all opposition within and without the ruling party. As Trotsky recognized in 1937:

*The prohibition of parties brought after it the prohibition of factions. The prohibition of factions ended in a prohibition to think otherwise than the infallible leaders. The police-manufactured monolithism of the party resulted in a bureaucratic impunity which has become the source of all kinds of wantonness and corruption. [36]*

In the last years of his life, Mandel forthrightly confronted the presence of unmistakably *substitutionist* elements in the politics of Lenin and Trotsky during the “dark years” of 1920-1921. [37] While clearly embracing Marcel Liebman's characterization of pre-revolutionary Bolshevism as a stridently anti-substitutionist “libertarian Leninism,” [38] Mandel revealed how the Bolshevik leaders transformed violations of workers' democracy *necessitated* by the civil war into *political virtues*. Specifically, Lenin and Trotsky argued that temporary bans on opposition socialist parties, limitations of peasant and bourgeois suffrage, and empowering the *Cheka* to arrest, try and execute accused counter-revolutionaries without any political oversight were *necessary* and *desirable* features of proletarian rule. In numerous writings, both Lenin and Trotsky defended a clearly substitutionist conception of the relationship of the party and the working class. In *Terrorism and Communism* (which Mandel correctly declared “his worst book” [39]) and his polemics against the “Workers' Opposition”, Trotsky proclaimed that the working class was a “wavering mass” incapable of exercising its rule directly and democratically. In the same years, Lenin repeatedly described the mass of workers as hopelessly divided, with sectors (the “labor aristocracy”) corrupted by capital. In 1920-21, both proclaimed the party as the only force - even against the wishes and desires of the working class - capable of building socialism. Mandel did the revolutionary Marxist movement a great service by recognizing and rejecting this aspect of our tradition.

As in the case of the labor bureaucracy in the capitalist countries, the ruling officialdoms in the former Soviet Union and the other bureaucratic societies developed their own, substitutionist world-view and political practice. The “dialectic of partial conquests” led the ruling bureaucracies in the east to embrace their particular version of “organizational fetishism”-the belief that the preservation of existing state-party institutions took priority over self-organization and self-activity of the working class. Internally, the Stalinist and neo-Stalinist bureaucrats' substitutionism privileged the “leading role of the party.” The ruling Communist parties were the sole, legitimate representatives of the working class. They alone could defend the “historic interests” of the working class against all enemies, including “dissidents” and “deviationists” from within the ranks of the working class itself. The substitutionist ideology of the ruling bureaucracies provided ready made justifications for the brutal repression unleashed against the working class during the Soviet purges of the 1930s, the uprisings in East Germany, Poland and Hungary in the 1950s, against the “Prague Spring” in 1968, the mass strikes in Poland in 1971 and 1981, and the students and workers in Tiananmen Square in 1989. For the bureaucratic regimes, only the party, not the workers, were the ultimate guarantors of “true interests” of the proletariat. [40]

Externally, the ruling bureaucracies' sought to subordinate the struggle of working people in other countries to the “defense of socialism in one (choose your favorite) country.” Mandel extended Trotsky's analysis of the disastrous results of giving priority to the defense of some “socialist fatherland” abroad over the actual struggles of the workers and oppressed at home. The Communist parties in Germany in 1933, France and Spain in 1936-37, Greece after the second World War and in Indonesia in 1965 paid an extremely high price-massive repression and hundreds of thousands of militants murdered-for placing the diplomatic needs of the post-capitalist bureaucracies ahead of the needs of the class struggle in their own countries. Subservience to the ruling officialdoms in the east created the conditions for the gradual transformation the French, Italian and Spanish Communist parties into reformist parties; and led to the collapse of much of the revolutionary left of the 1960s that looked to the Maoist bureaucracy for political guidance. [41]

Ultimately, the post-capitalist bureaucracies were incapable of consolidating a prosperous, attractive and stable alternative to capitalism. One of Mandel's major contributions has been his elaboration of Trotsky's insights into the limits of bureaucratic central planning:

*The progressive role of the Soviet bureaucracy coincides with the period devoted to introducing into the Soviet Union*

*the most important elements of capitalist technique... It is possible to build gigantic factories according to a ready-made Western pattern by bureaucratic command-although, to be sure, at triple the normal cost. But the farther you go, the more the economy runs into the problem of quality, which slips out of the hands of a bureaucracy like a shadow... Under a nationalized economy, **quality** demands a democracy of producers and consumers, freedom of criticism and initiative-conditions incompatible with a totalitarian regime of fear, lies and flattery. [42]*

Mandel theoretically refined and empirically documented this thesis with extensive research. [43] By substituting the party-state officialdom for the democratic decisions of workers and consumers, the Stalinized command economies were (and are in the case of China) left without any mechanism for insuring the long-term and continuous development of labor productivity. The post-capitalist bureaucracies were capable of organizing *extensive* growth, forcing millions of uprooted peasants to labor in plants that reproduced the labor processes of the capitalist west, producing an “one time only” increase in labor productivity. However, they floundered when faced with organizing *intensive* growth, the continuous replacement of labor with new technologies and production of new items of consumption. The bureaucracy lacked either the “whip of competition” that ensures that each capitalist firm continuously reduces necessary labor through mechanization, or the democratic control over economic decisions by the “freely associated producers and consumers” with an interest in reducing their labor time and insuring quality items of individual and collective consumption. As a result, the bureaucratic economies were under no economic or political compulsion to develop new technique or economize on the use of resources. The result was that “a general lack of responsibility, and indifference to the factory's performance is therefore a characteristic feature of the system and threatens the USSR with stagnation and decline.” [44] The fate of the bureaucratic command economies in Eastern Europe and the ex-USSR tragically confirmed Mandel and Trotsky's theses.

Unlike Trotsky, who confined himself to a general call for the restoration of soviet democracy through an anti-bureaucratic workers' revolution, Mandel presented a detailed model of democratic centralist economic planning. A global “self-administered” economy would be founded upon democratic councils of producers and consumers. The officials of these councils would be elected by the entire adult population, would be subject to immediate recall and would be paid the average salary of a skilled worker. These democratic institutions of workers' power, created through anti-capitalist revolutions in the west and anti-bureaucratic revolutions in the east, would be articulated at the international, national, industrial and office, factory or neighborhood level, where:

*Decisions should be taken at the level at which they can most easily be implemented. And they should be taken at the level where the greatest percentage of people actually affected by them can be involved in the decision-making process. [45]*

Put simply, international and national bodies would be empowered to draw up the basic outlines of the economic plan, while industrial, regional or plant-office bodies would decide how to implement their particular parts of the plan in consultation with those who will consume their product. [46]

In order for democratic “self-administration” to be effective, the working class must be able to express their needs and desires in the planning process and there must be mechanisms for the correction of social and economic miscalculations. According to Mandel, *political pluralism* is required to allow the working class, in all its heterogeneity, to effectively control the planning process. Without the right of all political currents (including ideologically pro-capitalist tendencies) to organize political parties, have access (in proportion to their numbers) to the media and to organize demonstrations and other non-violent actions to advance their particular view point, central planning will not be able to utilize productive resources efficiently and raise the productivity of labor. Mandel also recognized that formally democratic institutions and the rigorous guarantee of political rights for all sectors of the population, while *necessary* conditions for democratic socialist rule, are not *sufficient*. There are also crucial social and economic conditions, most importantly the radical reduction of working time for the mass of the population so that all “have the time to administer the affairs of their workplace or neighborhood.” [47] Such a reduction of the working day would allow most of humanity to spend 3-4 hours a day in the production of goods or provision of services and another 3-4

hours a day in the work of social self-administration. In order to abolish the division between mental and manual labor, the basis of bureaucracy, there must be generalized access to education, culture and literacy, which assumes a high level of material abundance and labor productivity. This, Mandel asserted, will only be possible when not only bureaucratic rule has been replaced in the east, but capitalism has been overthrown in a number of advanced industrial societies and their vast productive potential freed. [48]

Mandel, like Marx and Trotsky before him, recognized that commodity production and circulation, the market, would survive for a considerable period after the overthrow of capitalism on a world scale. Mandel agreed with Alec Nove, the most sophisticated theorist of "market socialism" that "the radical suppression of residual market relations" in any of the post-capitalist societies was not "presently desirable or practical." In fact, Mandel saw elements of Nove's model of "feasible socialism" as similar to his own conception of the combination of market and plan in a democratically ruled society in transition to socialism. [49] Mandel's disagreement with the "market socialists" was their claim that commodity production was a permanent and unalterable feature of economic life. For Nove, the complexity of economic decisions in an industrialized economy and the "unlimited wants" of human beings made the abolition of scarcity, the foundation of commodity production, impossible. The withering away of the market was possible for two reasons according to Mandel. First, a system of "articulated self-management" could allocate most of the thousands of decisions necessary to a planned economy to different democratically organized bodies, overcoming the problem of "too many decisions." Second, it was possible to envision a "saturation of demand" for goods and services once basic material needs were satisfied. Mandel rejected the simplistic notion of "human nature" that underlies both neo-classical economics and the theories of "market socialism":

*The continual accumulation of more and more goods... is by no means a universal or even predominant feature of human behavior. The development of talents and inclinations for their own sake; the protection of health and life; care for children; the development of rich social relations as a prerequisite of mental stability and happiness—all these become major motivations once basic material needs have been satisfied. One has only to look at how the upper reaches of the bourgeoisie conduct themselves with regard to food, clothing, housing, furniture or "cultural goods" to note that for those who already "live under communism", rational consumption takes the place of a restless pursuit of more. [50]*

Mandel, responding to the rise of the environmental movements of the last twenty five years, incorporated a detailed discussion of the relationship of different forms of social and economic organization to the natural environment. Mandel addressed two objections to the Marxian vision of socialism raised in the "Green" analysis of the rape of the environment in both capitalist and bureaucratic economies. Various "Green" theorists argue that the Marxian vision of a future society based upon the abolition of material scarcity would place an unbearable strain on the physical resources of the planet and lead to an ecological disaster. Mandel pointed to the scale of socially wasted resources under both capitalism and the bureaucratic command economies. The immediate abolition of the arms industry alone would free up tremendous resources for socially useful production (based upon renewable energy sources, environmentally safe technologies, etc.) that could provide an adequate standard of living for the bulk of the world's population without thrusting new demands upon the finite capacities of the planet. As the basic, material needs for physical security and gratification (food, clothing, shelter, medical care, education) are met, priority could be given to meeting the non-material needs for "self-actualization" (cultural, political, intellectual and personal development), needs whose satisfaction do not require utilizing finite natural resources.

The second "Green" critique of Marxism, based upon the experience of ecological disaster in the former USSR and eastern Europe, claims that centrally planned economies are no more ecologically friendly than market-capitalist economies. For Mandel, the destruction of the environment in the east flowed from the same bureaucratic mismanagement that gave rise to systematic waste of labor power and other resources. In other words, the absence of any democratic accountability on the parts of central planners and industrial managers allowed them to systematically befoul the physical environment in the east. By contrast, a democratically planned economy has the potential to avoid the ecological disasters that characterize both capitalism and the bureaucratic command

economies. Workers and consumers actively involved in formulating and implementing an economic plan have a compelling interest in developing labor processes that will neither destroy the health of those directly involved in production, nor defile the air and water that all must breathe and drink. In addition, the possibility of democratic “self-correction” would minimize environmental damage that might ensue from workers’ attempting to raise their standard of living without consideration of its effects on future generations. [51]

Mandel’s elaboration and extension of Trotsky’s theory of the post-capitalist bureaucracies not only provides a powerful alternative to liberal, social-democratic and Stalinist theories of bureaucracy, but to other Marxian theories as well. In particular, Mandel has produced an extensive critique of the theory that the former USSR, eastern Europe and China were “state capitalist” social formations. [52] The notion that economies where the main means of production are allocated according to conscious planning decisions, however bureaucratically mismanaged, and not according to differential profit rates and prices of production; where labor-power is no longer a commodity and a state monopoly of foreign trade mediates the effects of global capitalist competition on the planned economy are capitalist is theoretically and empirically untenable. This theory, as Mandel pointed out numerous times, does violence both to the Marxian theory of capitalist accumulation and the empirical reality of the bureaucratic economies. [53]

Mandel’s critique of the other major alternative Marxian theory of the bureaucratic regimes, the theory of “bureaucratic collectivism”, is not as rigorous as his dissection of the theory of “state-capitalism.” For Mandel, like Trotsky, the bureaucracy in the post-capitalist societies is a caste, a social layer that, unlike a social class, plays no necessary role in social production. The “parasitic” relationship between the bureaucracy and the planned economy deprives these post-capitalist societies of the social coherence of an established mode of production. Since the late 1930s, various Marxist critics of Stalinism have challenged this theory, arguing that the bureaucracy was a new exploiting class that organized a new, post-capitalist mode of production in the ex-USSR and the eastern bloc countries. [54] The theory of “bureaucratic collectivism” has been held by a wide variety of revolutionary socialists, including many prominent anti-bureaucratic activists in the former eastern bloc. [55] Its theoretical attraction is not surprising. On the one hand, it avoids the problems of the theory of “state capitalism.” On the other it avoids the complexities and ambiguities of Mandel and Trotsky’s theory of a “transitional society” by situating the bureaucracy and the command economy in the familiar Marxian categories of class and mode of production.

Mandel offers two different criticisms of the theory of bureaucratic collectivism. The first and, in our opinion, the weaker response points to the survival of commodity production and circulation in the bureaucratic economies. The survival of the wage form, the impact of the world market, etc. are features of any transitional society, and run counter to the logic of planning. Thus, these economies are:

**hybrid combination** of an allocative and a commodity-producing economy, in which the law of value operates but does not hold sway. And this influence of the law of value **ultimately sets immovable limits to bureaucratic despotism**. This is what theorists of “bureaucratic collectivism”...fail to see... **For a “new”, “bureaucratic non-capitalist mode of production to emerge, the Soviet bureaucracy would have to have liberated itself once and for all from the influence of the law of value.** [56]

This line of argument is open to several important criticisms. First, Mandel and Trotsky’s notion that the bureaucracy’s privileges and power are derived primarily from the survival of “bourgeois norms of distribution” is problematic. Much of the bureaucracy’s substantially higher standard of living compared to the working class was not derived from their superior incomes and market access to commodities. It was instead based upon their political power, derived from their command of the state apparatus and the state owned means of production, to gain preferential *non-market, non-commodity* access to consumer goods through special stores and “jumping the queue” for relatively scarce consumer goods like cars, housing, etc.

Second, and more importantly, there have been numerous societies where non-capitalist modes of production



coexisted with quite extensive commodity circulation and where “*the privileges of the dominant classes... are mainly confined to the realm of private consumption, [and] they have no long-term interest in a sustained increase in productivity.*” [57] European feudalism, slavery in both classical antiquity and the so-called “new world”, and the various “Asiatic” societies all allowed for, and in some cases promoted extensive commodity production, although not the generalized commodity production possible only under capitalism. These same modes of production were dominated by exploiting classes whose privilege were confined to private consumption, and who were unable to organize the labor process of their direct producers in a manner that allowed for sustained increases in productivity. In fact, it is only under capitalism that the ruling class' privileges extend to real possession of the means of production—the ability to organize the labor process. Thus, the bourgeoisie is the first ruling class in world history to be both capable of, and compelled to continually raise the productivity of labor through mechanization. [58]

The introduction of “market mechanisms” into the bureaucratic command economies during the past twenty-five years has demonstrated the possibility of combining “market” and “plan” without undermining bureaucratic privilege and power. The ruling officialdom in Yugoslavia, Poland, Hungary, China and the former USSR all introduced “market reforms” at different points in the last forty years in attempts to overcome the chronic stagnation of labor productivity in the eastern bloc. As we know, these reforms were singularly ineffective in either stimulating intensive economic development or lessening bureaucratic despotism. If anything, market mechanisms enriched the bureaucracy and sharpened its antagonism with the working class and peasantry without forcing productive units to introduce new labor processes or use materials more efficiently. [59] In sum, while the combination of planning and commodity production is a *necessary* feature of every society in transition from capitalism to socialism, the combination of plan and market is not a *sufficient* basis for rejecting the notion that a new mode of production developed in the former USSR, eastern Europe and China.

Mandel's second, and stronger critique of the bureaucracy as a “new ruling class” points to the profound contradiction between bureaucratic power and the logic of effective economic planning. [60] First, the bureaucracy has a “parasitic” relationship to economic planning—it is theoretically unnecessary to a planned economy. The working class could quite as easily organize a planned economy without a privileged layer of officials, although, at least initially, not without specialists and technicians. By comparison, one cannot conceive of an economy of generalized commodity production without capitalists and workers.

Second, the bureaucracy's attempt to enrich itself undermines the effectivity of the planning process. At every level of the command economy, bureaucrats systematically hide resources, whether labor power, raw material or machinery, in order to meet production targets and obtain bonuses in the forms of cash or access to better housing, vacations and the like. Bureaucratic secrecy makes effective economic planning impossible. Without realistic information about resources and productive capacity it is impossible to set realistic production targets. By contrast, the bourgeoisie's efforts to enrich itself deepens the conditions of capitalist competition as each capitalist attempts to undercut all others and increase their market share by lowering costs. The individual self-interest of the capitalist coincides with the operation of the law of value, but the individual self-interest of the bureaucrat runs counter to the logic of economic planning.

Finally, the contradictions between the privileges of the bureaucracy and the logic of planning deprives the bureaucratic economies of any *internally generated dynamic of crisis and recovery*. While the bureaucracy's privilege undermines the effectivity of planning, leading to declining rates of growth in the 1970s and 1980s, there was no mechanism internal to the bureaucratic economy that could resolve the crisis. Only a profound shift in the relationship of social forces politically, either a workers' anti-bureaucratic revolution or capitalist restoration, could establish the conditions for renewed growth. Capitalism's inherent drive to replace human labor generates declining profit rates and periodic “long-waves” of economic crisis. However, capitalism generates its own solution to these prolonged crises. The massive destruction of inefficient capitals and “redundant” labor during an economic collapse restores the conditions of profitable accumulation and sparks a new “long-wave” of expansion. [61] Thus, there are no “terminal crises” of capitalism. The rule of capital, like the feudal aristocracy and other ruling classes rooted in modes of

production, must be *overthrown*. The strongest historical validation of Trotsky and Mandel's thesis that the former USSR and eastern European regimes were not rooted in a new mode of production was the rapidity with which they collapsed in 1989-1991. Bureaucratic rule in these societies was not overthrown by either the working class or imperialism, but imploded as a result of chronic economic stagnation. Not surprisingly, the social formations that emerged in eastern Europe and the former Soviet Union have yet to make a successful transition to capitalism.

While Mandel and Trotsky's theory of the "transitional" character of the post-capitalist societies remains convincing, their claim that these regimes were "bureaucratized" forms of the proletarian dictatorship is open to question. [62] Through the early years of the Russian revolution, revolutionary Marxists generally equated the workers' state with highly democratic forms of popular participation and power, in particular with the Paris Commune of 1871 and the workers', soldiers and peasants councils that had arisen in Russia, Germany, Hungary and Italy between 1917 and 1921. [63] The defeat of the central and western European revolutions and the devastation of the civil war undermined the viability of the Russian soviets as organs of popular power. For Lenin and Trotsky, the working class character of the Russian state was preserved in the Communist party, which organized the most active and radical workers. However, the "rule of the party" proved an inadequate basis for preserving even an indirect form of workers' self-government. The decline of party democracy after the 1921 ban on factions and the consolidation of the party-state bureaucracy in the late 1920s transformed the Soviet Communist party into the political instrument of the Stalinist officialdom.

By the late 1930s, Trotsky argued that the Soviet Union remained a workers' state, despite the "political expropriation" of the working class, because the bureaucracy continued to defend the social and economic "conquests of the October Revolution" - nationalized property, central planning and a state monopoly on foreign trade. The Soviet regime was a form of "bonapartism", similar to both feudal Absolutism, where the aristocracy ceded power to a royal bureaucracy that preserved feudalism, and fascism, where the bourgeoisie ceded power to a petty-bourgeoisie that safeguarded the conditions of capitalist accumulation. Thus, the mainstream of the Trotskyist movement, including Mandel, saw the USSR, and later eastern Europe, China and Vietnam, as "bureaucratized workers' states" where the working class *ruled* but did not *govern*. [64]

There are compelling theoretical reasons for maintaining the theory of the "bureaucratized workers' states." Most importantly, the traditional Trotskyist conception is consistent with the fundamental Marxian axiom that every society torn by social conflicts, no matter how unstable and transitional, are ruled by a single social class. As Perry Anderson argued, Trotsky's interpretation of Stalinism:

*...provides a theory of the phenomenon of Stalinism in a long historical temporality, congruent with the fundamental categories of classical Marxism. At every point in his account of the nature of the Soviet bureaucracy, Trotsky sought to situate it in the logic of successive modes of production and transitions between them, with corresponding class powers and political regimes, that he inherited from Marx, Engels or Lenin...Because he could think of the emergence and consolidation of Stalinism in a historical time-span of this epochal character, he avoided the explanations of hasty journalism and improvised confessions of new classes or modes of production, unanchored in historical materialism, which marked the reaction of many of his contemporaries. [65]*

These strengths, however, conceal profound problems with the concept of a "workers' state" where the workers rule, but do not govern. The analogy with feudal absolutism and capitalist dictatorships tends to obscure the *differentia specifica* of the transition to socialism. First, neither the feudal nor capitalist modes of production emerged from the struggles of classes self-consciously attempting to create new forms of society. Instead, feudalism and capitalism arose out of the struggles of already propertied classes to consolidate and extend their class domination. Socialism, by contrast, is the first form of society created in a conscious struggle by a *propertyless* social class, the working class. Further, both feudalism and capitalism are reproduced through a "blind economic logic" that operates "behind the back" of both the economically dominant classes and the direct producers. The feudal aristocracy and the bourgeoisie can remain socially dominant without directly dominating the state. Socialism is the first form of society

based on conscious and deliberate planning of economic development. These profound differences between socialism and all previous forms of social labor led Mandel to argue in his last major work:

***There is no way in which the working class can rule without governing.*** It has to exercise power simultaneously within enterprise and branch, municipality and region, as well as at the aggregate levels of the state and the national economy; if it is to 'rule' in any real and direct sense of the word: to take the key decisions about economic, social, and cultural priorities in the allocation of scarce resources. Thus, the functional division of the proletariat, between those who 'professionally exercise power' and the mass of the class, sets in motion a social process which suppresses the direct collective rule of the class as such. [66]

Here Mandel provided compelling reasons for rejecting the analogy between absolutism, fascism and bureaucratic rule that he and Trotsky upon which they had based their notion of a "bureaucratized workers' state."

In other writings, Mandel attempted to defend the "bureaucratized workers' state" theory by arguing that the Stalinist bureaucracy was a privileged layer of the working class which had usurped power from the rest of the class. First, he claimed that the bureaucracy's derived most of its privileges in the form of wages:

*...the bureaucracy, since it does not own the means of production, participates in distribution of the national income exclusively as a function of remuneration for its labor-power. This entails many privileges, but it is a form of remuneration that does not differ qualitatively from remuneration in the form of a salary.* [67]

This claim is open to two criticisms. First, as we have already seen, the bureaucracy secures much of its greater levels of consumption through *non-wage, non-market* access to consumer goods. The officialdom's access to special stores, dachas and the like derives from their political power - their domination of the state apparatus and control over state owned means of production. Second, the wage form, while a *necessary* characteristic of the working class is not *sufficient* to define a social group as part of the proletariat. In the capitalist social formations, top and middle level corporate executives receive salaries. Even when these executives do not own stock (although most do), they are part of the capitalist class because they command the labor-power of others and dispose of the means of production. Similarly, it can be argued that a much larger layer of wage-earners-low level supervisors, technicians and professionals-are not part of the working class in advanced capitalism. Many contemporary Marxists view these groups as forming a new middle class, produced by of the concentration and centralization of capital and the systematic application of science to production under capitalism. [68]

Mandel also argued that the post-capitalist bureaucracy was a layer of the working class because of the ease by which individual workers moved into the bureaucracy.

*For it is absolutely certain that a good number of today's bureaucrats, in this broad and real sense of the term, are not merely the sons and daughters of workers but even former workers themselves... The particular structure of society in the Soviet Union enables the bureaucracy to absorb the sons and daughters of workers, and even workers themselves, into the apparatus. Not into the summits of the apparatus, but into positions much higher than those of the so-called middle classes in the advanced capitalist countries.* [69]

Granting much higher, but clearly slowing, rates of upward social mobility between the working class and the bureaucracy in the east than between the working and capitalist classes in the west, [70] this argument remains theoretically unconvincing. From a Marxian perspective, classes are defined by their objective relationship to social production, not the social origins of their members. Put simply, contemporary capitalist societies could experience a significant increase in social mobility-the wholesale proletarianization of the bourgeoisie and the bourgeoisification of a small minority of the working class-without altering the structural relationship between capital and wage labor. The

fact that many, or even most, post-capitalist bureaucrats came from the working class did not make the officialdom part of the proletariat.

Our discussion of the post-capitalist bureaucracy leaves us in a difficult theoretical position. On the one hand, there is little theoretical or empirical basis for the notion that the bureaucracy is a new social class based in a new mode of production. The post-capitalist command economies were transitional societies, whose progress toward socialism was blocked by the rule of an officialdom whose power and privileges made effective economic planning impossible. On the other hand, it is extremely difficult to argue that the bureaucratic regimes were “deformed” forms of the proletarian dictatorship. The working class in the east neither ruled nor governed, and the bureaucracy was not a “layer” of the working class. This leaves us unable to identify what class ruled the former USSR, eastern Europe and China. At best, we can say that these societies were “historical abortions”, the product of the “global stalemate of the class struggle” in the twentieth century. They were highly unstable, transitional societies governed by bureaucracies, who excluded the working classes from any real or formal social and political power, but were not themselves ruling classes. Their rapid implosion in 1989-1991 demonstrated their profound instability and the bureaucracy’s thoroughly “parasitic” character. This is the best understanding we as Marxists can have of these societies based upon our experience of their actual historical evolution. Further theoretical clarification would require the emergence of new bureaucratized transitional societies, which would provide us with additional “raw material” for our theory. For that reason, we have reason to hope this is a theoretical issue that will never be settled decisively.

### III. CONCLUSION: THE NECESSITY OF WORKING CLASS SELF-EMANCIPATION AND WORKERS' DEMOCRACY

Mandel, working from the foundation provided by Luxemburg and Trotsky, has provided us with the most theoretically rigorous and empirically well-founded Marxian discussion of bureaucracy to date. Mandel's analysis of the labor officialdom under capitalism and the ruling bureaucracy in the post-capitalist social formations is a powerful alternative to the liberal, social-democratic and Stalinist theories that claim that the rule of a full-time corps of non-propertied officials is an unavoidable feature of modern society. Rather than an unavoidable development in human history, bureaucracy is the product of specific and historically transitory social relations and material forces of production.

Mandel does much more than demonstrate that democratic self-organization of the working class in both capitalist and post-capitalist societies is possible. His theory of bureaucracy, together with his investigations into the dynamics of capitalist accumulation in the twentieth century, points to the necessity of working class self-emancipation as the only basis for human liberation and survival. The notions that the labor bureaucrats can defend the gains of workers under capitalism or that the ruling bureaucracies can construct a viable alternative to capitalism has proven to be thoroughly *utopian*. The material position and self-interest of the reformist bureaucracies in the west have led them to disorganize and demobilize the working class and surrender, practically without a struggle, most of the hard fought for gains of the past half century. The material position and self-interest of the ruling bureaucracies in the east have led them to undermine the planning process and waste precious human and natural resources. In short, the failure of bureaucratic strategies for gradually reforming capitalism or building an authoritarian alternative to it have necessarily floundered on the *social position of the bureaucracies in both the capitalist and post-capitalist social formations*.

Mandel's theory of bureaucracy is one of the central *scientific* foundations of our revolutionary socialist political project in the late twentieth century. Our contention that the self-activity and self-organization of the working class provides the only *possible* basis for stemming the current capitalist offensive, overthrowing of the rule of capital and constructing an alternative collectivist social order flows directly from Mandel's theory of the social-democratic and Stalinist bureaucracies. Not goodwill, democratic idealism or a commitment to an egalitarian morality alone, but a *scientific understanding of the role of the officialdom of the workers' movement and post-capitalist societies* leads us to defend working class self-emancipation as the only *practical* alternative to capitalist barbarism.

[1] Max Weber, *Economy and Society: An Outline of Interpretive Sociology*, Volume 2 (Berkeley: University of California Press, 1979), Chapter XI.

[2] Robert Michels, *Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy* (New York: The Free Press, 1962; originally published in German in 1911).

[3] For our purposes, the three most important works are: *Marxist Economic Theory*, Volume II (New York: Monthly Review Press, 1970), Chapter 15; "What is the Bureaucracy?" in T. Ali (ed.), *The Stalinist Legacy: Its Impact on 20th Century World Politics* (Harmondsworth: Penguin Books, 1984); *Power and Money: A Marxist Theory of Bureaucracy* (London: Verso, 1992).

[4] "What is the Bureaucracy?" 75.

[5] Lenin's theory of the "labor aristocracy" flows from his theory of "monopoly capitalism." See: V.I. Lenin, *Imperialism: The Highest Stage of Capitalism: A Popular Outline*, Chapter VIII in *Lenin: Selected Works*, Volume 1 (Moscow: Progress Publishers, 1970).

[6] Mandel's critique of Lenin's theory of the "labor aristocracy" is found in "What is the Bureaucracy?" 75-76. Mandel's thinking on the roots of wage differentials between workers in the "third world" and the industrialized capitalist societies underwent considerable evolution. In *Marxist Economic Theory* [II, 453-459], Mandel argued that the low wages of workers in the underdeveloped capitalist countries accounts for the low organic composition of capital and low rate of exploitation in these societies. In *Late Capitalism* [(London: New Left Books, 1975), 359-364] Mandel argued, correctly in our opinion, that the uneven development of fixed capital and labor productivity is the cause of global wage differentials.

More recent discussions of the theory of the "labor aristocracy" and wage differentials have rejected the idea that "monopoly" or "oligopoly" is the absence or limitation of competition is the root of wage differentials. Instead, wage differentials are the result of real capitalist competition, which necessarily gives rise to different degrees of capital intensity within and between branches of production. See: Samuel Freidman, "The Theory of the Labor Aristocracy" *Against the Current* (Old Series) 2,3 (Fall 1983); Samuel Freidman, "Structure, Process and the Labor Market," in William Darity, Jr., *Labor Economics: Modern Views* (Hingham, MA: Kluwer-Nijhoff, 1983); and Howard Botwinick, *Persistent Inequalities: Wage Disparity Under Capitalist Competition* (Princeton: Princeton University Press, 1993).

[7] "What is the Bureaucracy?" 72-75.

[8] Luxemburg's most important work in this regard was *The Mass Strike, The Political Party and the Trade Unions* (New York: Harper & Row, 1971).

[9] Mandel's theory of class consciousness is presented at length in "[The Leninist Theory of Organization: Its Relevance for Today](#)" in S. Bloom (ed.), *Revolutionary Marxist and Social Reality in the 20th Century: Collected Essays of Ernest Mandel* (Atlantic Highlands, NJ: Humanities Press International, Inc. 1994), 80-91. A similar argument is made in J. Brenner and R. Brenner, "Reagan, the Right and the Working Class," *Against the Current*, (Old Series) 1,2 (Winter 1981), 29-35.

[10] "Leninist Theory of Organization," 85.

[11] *Power and Money*, 59-60.

[12] Clearly, the labor bureaucracy is not monolithic. Mass struggles have led to splits among the leaders of the unions and reformist parties in which a wing of the officialdom attempts to take leadership of a wave of working class struggles. However, this realignment of a sector of the officialdom is generally a response to independent organization and initiatives "from below" (rank and file currents in the unions, etc.) often led by radicals and revolutionaries. The "rebel" bureaucrats attempt to intervene in these struggle to contain them within boundaries of reformist politics. This was clearly the case with John L. Lewis' role in the emergence of mass industrial unionism in the US during the 1930s. It may also have been the likely background to the role of Carl Legien and other social-democratic union officials in arming and mobilizing German workers to defeat the Kapp Putsch in 1920. On the US case see: A. Preis, *Labor's Giant Step: Twenty Years of the CIO* (New York: Pathfinder Press, 1964), Part I; M. Davis, "The Barren Marriage of American Labor and the Democrats," *New Left Review* 124 (November-December 1980), 46-54. On the German case see: C. Harman, *The Lost Revolution Germany 1918 to 1923* (London: Bookmarks, 1982), Chapter 8.

[13] *Power and Money*, 235 (emphasis in the original).



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- [14] We are using "utopian" in the same sense that Marx and Engels used it in relationship to the pre-Marxian socialists, and Trotsky used it in relationship to the Stalinist notion of "socialism in one country": a strategy for social change that is not based on a realistic, scientific understanding of the dynamics of the capitalist mode of production and the class struggle.
- Mandel did recognize there was a positive aspect to "utopianism": the ability to imagine a better, more democratic, egalitarian and collectivist social order as a spur to revolutionary struggle. See *Power and Money*, 232-235. See also Michael Lowy, *On Changing the World: Essays in Political Philosophy from Karl Marx to Walter Benjamin* (Atlantic Highlands, NJ: Humanities Press, 1993).
- [15] On the social-democratization of the west European Communist Parties, see Mandel, *From Stalinism to Eurocommunism: The Bitter Fruits of 'Socialism in One Country* (London: New Left Books, 1977), Chapter 1.
- [16] See F. Claudin, *The Communist Movement: From Comintern to Cominform*, Volume I (New York: Monthly Review Press, 1975).
- [17] *Power and Money*, 236.
- [18] Mandel discusses this dynamic in detail in "The PCI and Austerity" in *From Stalinism to Eurocommunism*, 125-149. For a similar analysis of the contradictions of reformism, see Robert Brenner, "The Paradox of Reformism," *Against the Current* 43 (March-April 1993).
- [19] "The Leninist Theory of Organization."
- [20] One of the best presentations of this strategy, despite its grossly over-optimistic estimation of the short and medium term possibility of revolution in western Europe in the late 1970s is Mandel, "Socialist Strategy in the West," in *Revolutionary Marxism Today* (London: New Left Books, 1977), Chapter 1.
- [21] "Socialist Strategy in the West," 42.
- [22] "Socialist Strategy in the West," 48-49.
- [23] "Socialist Strategy in the West," 61.
- [24] "[Building the Fourth International Today](#)," *Documents of the 14th World Congress of the Fourth International*, Special Issue, *International Viewpoint* (Spring 1996), 58.
- [25] *From Stalinism to Eurocommunism*, 17-22.
- [26] This argument is presented in much greater detail in C. Post and K.A. Wainer, *Socialist Organization Today* (Detroit, MI: Solidarity Pamphlet, forthcoming 1996).
- [27] The most complete statement of Trotsky's mature analysis of the Soviet bureaucracy is *The Revolution Betrayed: What is the Soviet Union and Where Is It Going?* (New York: Pathfinder Press, 1977; originally published 1937). For an excellent overview of the development of Trotsky's theory of the Soviet bureaucracy, see Perry Anderson, "Trotsky's Interpretation of Stalinism," in Ali (ed.) *The Stalinist Legacy*, 118-128.
- [28] Mandel, *Trotsky As Alternative* (London: Verso Books, 1995), 41.
- [29] Marx's discussion of the necessity of a transitional phase between capitalism and socialism is contained in his brief "marginal notes" on the 1875 program of the German Workers' Party, *Critique of the Gotha Programme* (New York: International Publishers, 1938). Trotsky's more elaborate discussion of the transition is found in *Revolution Betrayed*, Chapter III. For Mandel's contribution to this discussion, see: *Marxist Economy Theory*, II, Chapter 16.
- [30] Mandel, *Marxist Economic Theory*, II, 608. (emphasis in the original)

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[31] On the near unanimity of the leadership of the Communist International, prior to 1923, on the impossibility of constructing "socialism in one country," see Trotsky, "The Draft Program of the communist International" A criticism of Fundamentals" in *The Third International After Lenin* (New York: Pathfinder Press, 1970; first published 1936), 3-73.

[32] Mandel, *Trotsky as Alternative*, 47.

[33] Mandel's analysis of the material roots and development of the Soviet bureaucracy in *Power and Money*, Chapter 2 and *Trotsky as Alternative*, Chapter 3, closely follows that of Trotsky in *The Revolution Betrayed*, Chapters II, IV, V. Mandel provided a very powerful reply to various social-democrats and former Stalinists who claim that Stalin's merely implemented Trotsky's economic proposals, albeit in a "barbaric form", in the late 1920s and 1930s. In *Trotsky as Alternative*, Chapter 4, Mandel demonstrated that Trotsky continued, until his death in 1940, to advocate a democratically controlled economy that combined a dominant state-owned, planned sector with market mechanisms.

[34] Samuel Farber [*Before Stalinism: The Rise and Fall of Soviet Democracy* (London: Verso Books, 1990)] despite many important insights, tends to underestimate the weight of these material factors as he highlights the Bolshevik's mainstream's subjective underestimation of democratic institutions and rights. For a good discussion of the strengths and weaknesses of Farber's work, see David Mandel, "The Rise & Fall of Soviet Democracy," *Against the Current* 37 (March-April 1992), 48-49.

[35] Mandel, *Trotsky as Alternative*, 82.

[36] Trotsky, *The Revolution Betrayed*, 104-105. Trotsky's most lengthy discussion of these issues is *Stalinism v. Bolshevism* (New York: Pathfinder Press, 1974, originally published 1939). Mandel presents these points at length in several works: "What is Bureaucracy?" 83-85; *Power and Money*, 117-118; *Trotsky As Alternative*, pp. 81-82, 84-86.

[37] *Power and Money*, 118-125; *Trotsky As Alternative*, 83-84.

[38] Marcel Liebman, *Leninism Under Lenin* (London: Merlin Press, 1975). See also Paul LeBlanc, *Lenin and the Revolutionary Party* (Atlantic Highlands, NJ: Humanities Press, 1993).

[39] *Trotsky As Alternative*, p. 83.

[40] Mandel, *Power and Money*, 104-109.

[41] See *From Stalinism to Eurocommunism and Revolutionary Marxism Today*, passim for Mandel's discussions of the disastrous effects of "socialism in one country" on the world labor movement.

[42] Trotsky, *The Revolution Betrayed*, 275-276.

[43] *Marxist Economic Theory*, II, Chapter 15; *Beyond Perestroika: The Future of Gorbachev's USSR* (London: Verso, 1989 and 1991); *Power and Money*, Chapter 1.

[44] *Power and Money*, 42. One can see similar patterns of wasted resources and low-quality to consumers in the services provided by the capitalist state (health care, postal-telecommunications, transport, etc.) Again, the absence of either the "whip of competition" or producer-consumer control of these services leads to bureaucratic waste and inefficiency. This is the material foundation for much working and middle class support for "privatization" of government services in the advanced capitalist countries.

[45] *Power and Money*, 213.

[46] "In Defense of Socialist Planning," *New Left Review* 159 (September-October 1986), 5-38.

[47] *Power and Money*, 202.

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[48] *Power & Money*, 197-214.

[49] "In Defense of Socialist Planning," 9, 31-34.

[50] *Power and Money*, 206. These arguments were first developed in Mandel's debate with Alec Nove: Mandel, "In Defense of Socialist Planning," Nove, "Markets and Socialism" *New Left Review* 161 (January-February 1987)98-104; Mandel, "The Myth of Market Socialism," *New Left Review* 169 (May-June 1988) 108-121.

Catherine Samery, in *Plan, Market and Democracy*, Numbers 7-8 of the Notebooks for Study and Research (Amsterdam: International Institute for Research and Education, 1988) and her contribution to this volume, point out that Nove fails to distinguish between the effects of different types of market mechanisms in transitional, post-capitalist societies. Nove tends to ignore the disastrous history of "market reforms" in the bureaucratic regimes in the east, which deepened social inequality without raising labor productivity. Following the suggestion of Diane Elson ["Market Socialism or Socialization of the Market?" *New Left Review* 172 (November-December 1988), 3-44], Samery suggests that certain types of market regulation are compatible with planning and workers' democracy in the transition to socialism.

[51] *Power and Money*, 209-210, 240-246.

[52] Tony Cliff, *State Capitalism in Russia* (London: Pluto Press, 1975; originally published in 1955); P. Binns, T. Cliff and C. Harman, *Russia: From Workers' State to State Capitalism* (London: Bookmarks, 1987).

[53] Most of these themes are contained in Mandel's debates with Chris Harman and other members of the British "International Socialist" current, *The Inconsistencies of State-Capitalism* (London: IMG Publications, 1969).

[54] Max Shachtman, *The Bureaucratic Revolution: The Rise of the Stalinist State* (New York: The Donald Press, 1962); Jack Trautman, ed., *Bureaucratic Collectivism: The Stalinist Social System* (Detroit, MI: Sun Press, 1974).

[55] Jacek Kuron and Karol Modzelewski, "Open Letter to Members of the Warsaw Sections of the United Polish Workers Party and the Union of Young Socialists," in G.L. Weissman (ed.), *Revolutionary Marxist Students In Poland Speak Out (1964-1968)* (New York: Merit Publishers, 1968), 15-90.

[56] *Power & Money*, 28-30 (emphasis in the original).

[57] *Power and Money*, 32.

[58] Robert Brenner, "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism," *New Left Review* 104 (July-August 1977), 25-92.

[59] See Catherine Samuraj, *Plan, Market and Democracy*; R. Smith, "The Chinese Road to Capitalism," *New Left Review* 199 (May-June 1993), 55-99.

[60] *Marxist Economic Theory*, II, 572-574, 584-599; *Beyond Perestroika*, Chapters 1 and 3.

[61] A. Shaikh, *The Current Economic Crisis: Causes and Implications* (Detroit, MI: Against the Current Pamphlet, 1989); "The Falling Rate of Profits and the Economic Crisis in the US" in R. Cherry, et al., (eds), *The Imperiled Economy*, Volume I: *Macroeconomics from a Left Perspective* (New York: Union for Radical Political Economics, 1987), 115-126; Mary C. Malloy, "Finance and Industrial Capital in the Current Crisis: On Brenner's 'Politics of U.S. Decline,'" *Against the Current* 57 (July-August 1995), 27-32.

[62] We use, as did Marx, the terms "proletarian dictatorship" and "workers' state" interchangeably. See Hal Draper, *Karl Marx's Theory of Revolution*, Volume III: *The "Dictatorship of the Proletariat"* (New York: Monthly Review Press, 1986).

[63] Marx, *The Civil War in France* in *The First International & After* (New York: Random House, 1974); V.I. Lenin, *State and Revolution* in

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*Selected Works*, II; *The Proletarian Revolution and the Renegade Kautsky* in *Selected Works*, III.

[64] The best statement of this position remains Trotsky, *In Defense of Marxism* (New York: Pathfinder Press, 1970, originally published 1940). See also Mandel, *Revolutionary Marxism Today*, 141-150.

[65] Anderson, "Trotsky's Interpretation of Stalinism," 123-124.

[66] *Power and Money*, 74-75 (emphasis in the original).

[67] *Revolutionary Marxism Today*, 142.

[68] For a summary of the arguments about the new middle class, see C. Post, "The New Middle Class?" *Against the Current* (Old Series) 2,4 (Winter 1984), 35-41.

[69] *Revolutionary Marxist Today*, 143.

[70] Mandel discusses the literature on the slowing rate of upward mobility in the USSR in *Beyond Perestroika*, Chapters 3 and 4.