The Political Economy of Class in the Transitional Epoch.

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CLASS AS A CATEGORY

This article will attempt to raise the question of class in a general context and then show the differences in the use of the concept in relation to capitalism and to the USSR. It argues that a simple imposition of the term ignores the reality of the USSR as an unstable society, which is not a new mode of production, unable to form sufficiently stable, coherent and economically viable groupings to permit the use of the term class. The existence of exploitation is not enough to define a group as a class, in any society. The article starts from the proposition that class is a category of political economy and not of a vague sociology and consequently can only be understood in the context of a political economic dynamic of that society. There has been considerable discussion of the political economy of the USSR in previous issues, and this article does not repeat them. See my articles in Critiques 1, 2, 6, 9 and 12.

This article will not discuss the question of the state as it is assumed that the state is the organ of repression of the ruling group and that, therefore, the important question in discussing class structure and the society is the nature of the ruling group, not the state, which is a secondary phenomenon. However, it does follow from the analysis here presented that the ruling group only exists because of the unprecedented role of the state in society. The consequence is that no division can be made between state and society in the USSR. This lack of demarcation itself is a symptom of the unviable and highly contradictory nature of the regime. In the nether world of neither socialism nor capitalism, the economy has to be consciously regulated but it cannot in fact be consciously planned in the USSR, so that administration using the sanction of force plays a crucial role in the economy. Nonetheless, it is not force for its own sake, but to maintain an entirely unviable ruling group. This extreme use of direct repression, so atomising the society, is only possible because of the peculiar non-market administrative relations existing between social groups and so individuals.

There are many sociological definitions of class but their cardinal failure is their inability to provide a political economy and so an inbuilt dynamic. The same problem applies to much of what passes for Marxism in the discussions around class. The standard Marxist definition refers to groups
of people who relate through their particular form of ownership or non-ownership of the means of production. Lenin did indeed produce a sociological definition of this kind which expressly defined class in terms of their "relations to the means of production". But simultaneously he produced a different definition where he speaks of "genuine class consciousness" only being possible through understanding theoretically and in practice the relation to other classes and strata.

The whole implication of his writing is to argue that it is not enough for workers simply to exist as workers in order for them to constitute a collectivity. Lenin rejects the view that simple economic struggle draws "the masses into the political movement". In fact he goes further and argues that such a view is "harmful and extremely reactionary". Lenin never produced a detailed theoretical work on any question so that his views normally have to be deduced or at least interpreted. The question here is how it was that Lenin using a static definition of class, based on simple relations to the means of production ended up with a dynamic definition of the formation of the working class. He does not use that terminology but that is its effect, for an economic struggle which remains bound in itself does not lead to anything in terms of solidarity except higher wages etc. Since his time Stalin and his followers have forgotten Lenin's attack on "those who concentrate the attention, observation and consciousness of the working class exclusively, or even mainly, upon itself alone are not Social Democrats." Lenin makes a distinction between an economic struggle and a political struggle. Only the latter is a real class struggle, involving a "genuine class consciousness".

From the time of Marx an important change had taken place which few Marxists are prepared to accept. The struggle in Marx's time had little separation between the economic and political as the bourgeoisie saw any combination for economic purposes as a political threat, so that economic and political demands were fused. The early trade unions had a necessarily political aspect. In time, however, the capitalist class was able to split the economic from the political by accepting entities called trade unions whose functions were shorn of politics. This is not to argue that the early trade unionists were fully-fledged socialists or had a completely political consciousness, but only to draw a distinction between their early demands which required political action and their later development. Politics in the earlier period easily became a Chartist politics, just as in South Africa the present trade unions can operate on a purely economic level but always on the edge of a more general anti-white, anti-government or anti-capitalist politics.

Lenin draws a distinction between a trade union politics and a socialist politics, a distinction which meant little before 1848. Thus for Lenin there is a class which has purely economic demands and a class which has political demands which express its interests. For Lenin it is only the class in its political expression that constitutes a genuine class. That is really a definition deriving from Marx. We will come back to the original nature of the Marxist conception of class, but for now the point is being made that the original
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Marxist conception was not the same as that which has appeared to many to be the classical conception.

R. Bendix and S.M. Lipset in their discussion of Marx's view of class\(^4\) do indeed bring out this clear distinction made by Marx between an economic position and the collectivity which constitutes a class, with a multitude of quotes. Being sociologists, however, they are unable to link Marx's political economy to his concept of class. Although the last quote confirming this view comes in their case from the 18th Brumaire of Louis Bonaparte, there is no reason to assume that Marx ever changed his mind, after 1852. The point that isolation does not make for a class even if there is an identity of interests is repeated in principle many times, whenever Marx is bringing out the problems for the peasantry in taking power.

However, Marx is not just talking of consciousness as Bendix and Lipset appear to be saying. Nor is their viewpoint made more correct by finding the conditions under which consciousness would arise. As is made clear in the quote on peasants he is actually asserting that they are both a class and not a class: “In so far as millions of families live under economic conditions of existence, that separate their mode of life, their interests and their cultural formation from those of the other classes, and bring them into conflict with those classes, they form a class. In so far as these small peasant proprietors are merely connected on a local basis, and the identity of their interests fails to produce a feeling of community, national links, or a political organisation, they do not form a class.”\(^5\)

The quote is interesting for more than one reason but in this context what is important is that Marx, using the dialectic method can assert that the group is both a class and not a class. Political economy then has to discover how they become a class in both senses or fail ever to become fully a class. The difference between potential and actual or essence and phenomenon is crucial here. Bendix and Lipset degenerate into a feeble attack on Marx since they cannot understand either his dialectics or his political economy.

Marx is quite explicit that the economic struggle over wages turns, as it intensifies, into a political struggle in this early work, the *Poverty of Philosophy*.\(^6\) Assuming that Marx was not stupid and Lenin describing a real phenomenon the two very different viewpoints can only be reconciled by pointing to the very real changes that had taken place in workers' organisations.

These changes in workers' organisations have to be explained, something not done by Lenin. It is not that Marx is arguing that trade unions are automatically political and class organisations. On the contrary, he is pointing out that there is a sharp difference between organisations of workers fighting against the employers and such organisations fighting for their own emancipation from the employers. Yet this difference in stage of collectivity and programme has no special barrier. The trade unions are incipient class organisations capable of taking the final step of overthrowing their enslavers.
Lenin's sharp insistence on the capitalist nature of the trade union and its wage demands stands in sharp contrast because he is really placing a total barrier between the evolution of a trade union and the formation of a class. Lenin is paradoxically stating that the class always exists in production but the trade union does not express its class interest, whereas Marx is maintaining that the class has to be formed, and it is so formed through the evolution of its economic organisations.

The solution to their different views does not lie in pointing out that one or other was wrong. Lenin does not provide any theory of evolution of unions but simply tried to find a political basis for change which certainly did not exist in the unions. To the degree that he did not try to provide a political economy of class formation and so of the history of trade unions he was clearly lacking in theory and clarity. It is obvious that the trade unions were gradually incorporated and absorbed by the capitalist class in order to function as atomised units competing to better their members interests, with a bureaucratic structure given by the market in which they operated. This could not have been done without profound changes in capitalist society itself both through imperialism and the limitation of the law of value in relation to labour power. The effect was to drive a wedge between the economic and political stages of its development. The barrier is not total but profound enough to make Lenin's polemics an accurate description of political reality.

For Lenin this divergence was soluble through alternative methods largely because Russia and its empire was so unstable that the workers were necessarily anti-Tsarist. It was easy to get recruits to overthrow the system, few people had to be persuaded of the horrors of the regime or that the capitalists of the West, so clearly investing in Russia, were any better than the autocrat of all the Russians. Lenin need not have bothered to fight the economists in order to found a political party as the police ensured that trade unions were not able to obtain a substantial hold on the workers. In other words, the workers were necessarily political as their everyday life forced them to be such and hence they were driven to become a collectivity when the circumstances presented themselves.

Marx was thus correct in that the economic and political struggles merged but not through unions, through the agency of a political party as the organising instrument. What had also changed was the consciousness of the ruling class which either incorporated or suppressed the economic organisations of the workers depending on circumstances. Where they were suppressed another conscious organisation able to oppose the conscious organisation of the capitalist class had to emerge. In fact two emerged: the Soviet and the democratic centralist party. It is not the purpose of this essay to discuss the merits of conscious organisation, rather it is the fact that Lenin's understanding was not wrong even if his theory was deficient.

While Lenin's views led to successful revolution in Russia they provided little guide to movements of workers elsewhere. The incorporation of the trade unions provided an insuperable block to political activity. Economistic,
bureaucratic and often corrupt either financially or politically or both the modern trade unions could not provide any basis for a collectivity of workers. Nonetheless, they either absorbed a large percentage of the total workforce or at any rate its most militant sections. A hopeless perspective appeared which was not solved by importing an alternative in the form of a Leninist party, suited to the particular conditions of its origin. The authentic left then floundered in a morass of dichotomies between the subjective backwardness of the proletariat and its objectively progressive circumstances, between consciousness and reality etc.

The formation of the class then becomes part of the history of the epoch itself. Effectively fearing the consequences of the self organisation of the proletariat the ruling class has preferred to organise the workers itself or at any rate assist responsible elements to take the lead in doing so. Lenin’s negative view of unions has proved amply justified but the cost of such social-democratic concessions has always meant that these same concessions have a limited life. Paradoxically, therefore “the ruling class” forms of proletarian organisation have outlived their usefulness and are everywhere under attack. These forms, however, have to vanish in order to be replaced by new forms of authentic instruments of self-expression and emancipation of the working-class.

We may conclude this section by noting that the theory of class is necessarily involved with a theory of its objective formation and so not just with consciousness but with the real ties that bind members of a class together. These ties are not the same thing as the common interests of the members of the class, although these common interests are pre-supposed.

Some Discussions of Class

Not many Marxists have theorised the term “class”, as opposed, of course, to sociologists. Bukharin was among the few that did. He had a very flat view of class, based on the first view of Lenin quoted. He adopts the ‘for itself’ and ‘in itself’ distinction, without understanding it, quoting Marx in the Poverty of Philosophy a few paragraphs earlier than the above quote making that distinction.7

Bukharin, thus, makes the standard distinction between a class simply existing as such and a class with class consciousness. Lenin was more careful and in the actual use of the terms had a much more dynamic approach. Marx in fact, was even clearer in that he actually states that there is no class at all until there is a collectivity8 and that collectivity cannot fully exist until the point of revolution. This point is discussed in more detail below, but it is necessary to contrast the simplistic view that was held by Bukharin and many Marxists in the twentieth century that there was a failure of consciousness, with that of Marx. To anticipate the point made later: the “in” and “for itself” distinction is not just a question of consciousness, but a division between essence and phenomenon, potential and actual and so not simply a dichotomy of the objective and subjective.

While the failure of Marxists to understand class dynamically has led
some of the best contributors in the Marxist tradition to abandon Marxism in order to preserve its insights, less creative individuals have been hidebound by a conception which was ossified through Stalinism. The work of Thompson shows the depth of thought possible once the simplistic definition is abandoned. Thompson himself, though, appears unaware, at least in print, that an alternative definition closer to that which he employs has an excellent pedigree. Thompson, as he points out in the above passage, has bored many by insisting on class as a process and a process in which the separation of class and class consciousness cannot be made. He specifically inveighs against the static conception of class, beloved of those who see class simply as relation to the means of production. Yet in the same article he has to argue for the abandonment of much of Marxist Political Economy and indeed of Marx's philosophy as derived from Hegel. Marx's earlier remarks on class, which are really the only ones where he really uses the concept, are then completely ignored, although they might conform more closely to the Thompson conception.

The problem with just seeing the formation of the class as a process is that it ignores the nature of the process and so its political economy. All too easily then class is transformed into a woolly concept, which is ultimately entirely subjective since consciousness and conscious struggle play the only role left to play. This kind of evolution of the Thompson school may not be to the taste of its founder but he has opened the floodgates with his rejection of political economy. The "class struggle is the prime determinant" viewpoint, largely Maoist in origin but more widely held now among certain spontaneist groups and others, is a circular theory arguing that mankind is moved forward by class struggle and class is formed in struggle by mankind.

It is peculiar that so many scholars who have otherwise an excellent anti-Stalinist record should use a scholastic and barren definition, or like Thompson have to attack the essence of Marxism: its political economy and philosophy in order to establish a creative milieu. This point is directed particularly against those who, on the left, consistently discuss both the countries similar to the USSR and capitalism in the form of ownership and sale of labour power, without discussing either the empirical viability of the conceptions or their theoretical meaning. At this point it is not a question of rightness or wrongness, it is only a question of the paucity of theoretical depth.

The fundamental point that is being made is that class is more than the simple existence of a relationship in production. It requires a collectivity to exist in a material form. Thus Marx in the *German Ideology*: "The separate individuals form a class only insofar as they have to carry on a common battle against another class; in other respects they are on hostile terms with each other as competitors." This collectivity has to be founded on a real relationship among the potential members of the class, or in other words in common shared, integrated, or communal working and existing.

In earlier societies, it was much simpler because the serf, slave or whatever,
never lost his position whether working or not working. This meant that
firstly the serf had no doubt of his position in relation to others, secondly
that such a person was always in that position, without having to compete
with others of the same position in order to retain source of livelihood.
While there could be no question of the integration in production which
came later, serfs were nonetheless in a communal environment. All of this
meant that the collectivity existed even if in a low form. The essential aspect
of that collectivity was there but what was lacking was the real possibility
of combination when production itself was so little integrated. That meant
also that the other aspect of collectivity: consciousness was difficult to achieve.
The class could exist but it could not act. The reference to the peasants
being both a class and not a class is particularly apt here.\footnote{12}

**Class Under Capitalism: Its Explosive Quality**

Under capitalism it is very different as the mode of control is precisely
the atomisation of the workforce, through commodity fetishism, and the
division of the life of the worker who is now free to do anything outside
his work. The workers are divided against one another and divided in
themselves as individuals. The worker in production has apparently different
interests from the worker as consumer. The family of the worker can have
different interests from that of the worker.

On the other hand, potentially the workers are all powerful precisely
because of the integration of modern production which means that they
are closely related in production to one another, whatever they are doing,
mental or manual labour. Unlike previous societies they are relatively
homogeneous. There are not the numerous gradations of unfree labour which
formerly existed. They are the society itself, provided we assume that all
wage-labourers are workers. Hence the modern worker is extremely powerful
if he acts and act he can and does. The paradox is that the worker can
act and take power but he cannot permanently exist as a class, precisely
because the existence of the class threatens the society and is the pre-requisite
to taking power. In other words it is the nature of capitalism itself to prevent
the existence of that collectivity. Nonetheless, it is of the nature of the present
epoch that the workers have formed a class and threatened to take power.
Here and there they have taken power for short periods of time, always
being thrown back. The class came into being over time, threatened the
society and has since constituted a permanent feature of a society which
is no longer a classical capitalism.

(It is not only the workers who have had to constitute themselves a
class; the same problem faced the bourgeoisie. Thus Marx: “In the bourgeoisie
we have two phases to distinguish: that in which it constituted itself as
a class under the regime of feudalism, and that in which, already constituted
as a class, it overthrew feudalism…”\footnote{13} ) More theoretically, the category
class is real but can only show itself when its essence and appearance are
united. The category class exists as a potential, which can only be realised
under very special circumstances, since it is the very nature of capitalism
to prevent the class actually existing fully as a class. On the day that it
does fully display itself as a class the working class takes power. This indeed is the way Marx puts it: 14 "When the proletariat proclaims the dissolution of the existing world order, it is only declaring the secret of its own existence for it is the actual dissolution of that order." And both Lenin and Lukacs follow. The argument is that it is in the whole nature of capitalism to prevent the coming into being of the class. Thus, the capitalist class is often ahead of the working class in having its own collectivity, because it has to defend itself against its own destruction and hence has to devise collective measures ensuring its own survival and that of the system.

Lest there be a misunderstanding, it is not being argued that there is no capitalist class or working class except at special moments. The view is being put forward that the classes exist in potential or essence all the time but that only when the immediate circumstances are propitious can we say that the class has come fully into being. In this respect, there is no symmetry between capitalist class and working class. Because the capitalist class commands the system, it has to become conscious of itself as a class, and, indeed, it is forced by the growing centralisation of capital to do so, in any case. On the other hand, the workers would not accept the system for one day, if they had the power to change it, so that the stability of the capitalist system is ensured through dividing and fragmenting the workers as a collectivity. This is the second major point.

Consciousness in this explanation is part of the same movement of the essence to the appearance of the class. Consciousness alone cannot ensure a unity which has no material reality. The division between white collar and blue collar, aristocracy of labour and ordinary worker, black and white, men and women, declining regions and central rich regions are necessary to divide the workers. Nor can these real divisions be overcome with pious imprecations, consciousness raising or other subjective attempts. There has to be a real basis for the ending of those divisions before consciousness can play a role. This does not mean that it plays no role but only that the profound effect of the subjective and so the speeding up of the whole process of formation of the class is of its greatest meaning when the possibilities are most open.

Under these circumstances, it is not the case that the class can be formed, for it has to be formed, through the right attitudes being prevalent or through a process of gradual learning alone. If it was only a question of learning, the class would have learned long ago, from its all too numerous defeats, to forget nationalism, racialism, sexism, reformist solutions etc. Indeed, there have been sufficient awful defeats this century alone to have provided a permanent source of knowledge for the proletariat, which is bottomless.

The Transitional Epoch: Objectivity of the Subjective

In the present epoch the subjective doctrines of Stalinism and social democracy have become institutionalised in forms of control over the class itself. This means that the subjective has objectivised itself but precisely because it has done so the whole epoch is one where the inter-relation of the objective and subjective is closer than ever before. It is of course
what is to be expected in that the socialist society would, by consciously regulating its society, bring the objective very close to the subjective. What this actually portents is that the more we move in the transitional epoch of the present the more our institutions begin to represent non-socialist but non-capitalist forms also. This is the third proposition.

There is a view, to which such as the early Djilas subscribed\(^\text{16}\) that socialist forms can only exist in a socialist society and hence there are no forms existing in capitalism which are the ingredients from which will be built a socialist society. It is, of course, true that a socialist society can only exist as a totality or not at all, but that does not mean that transitional forms neither socialist nor capitalist do not come into existence. Nationalisation, “central planning”, large bureaucratic apparatuses are all forms used by capitalism which are inherently non-capitalist. If this is so, it also follows that there are large numbers of people now working in institutions which reflect this transitional form.

There are those who work for the government such as teachers and civil servants of various categories. We have then to ask whether teachers working for schools run by the government are workers, whether civil servants working for the government are workers, whether bank clerks are workers, and what after all are the engineers and draughtsmen who are part of both management and those who sell their labour power? They cannot be classed as exploiters, petit bourgeois, or yet as simply those who sell their labour power to capital. There are a considerable number of groups of people who are not easily categorized. The upshot is not, as some would prefer, that the working class has ceased to exist, but rather that new categories are coming into existence as the old social order decays, as an old order. The new groups coming into existence are groups of divided loyalties because they both sell their labour power and have a measure of control over the labour power of others, or else, as with bank clerks, they are of the working class but, being unproductive workers, they have little to do with creating value and actually stand in the position of lackeys to those who cream off the surplus value from the productive workers.

There are in fact two groups of workers of a new kind: those who represent the transitional forms and those who are part of the decaying forms. In the case of the latter, the position is very difficult and, depending on circumstances, often hopeless. They may be written off completely as part of the class. As concerns the former group, they stand in a contradictory class location as Wright and Carchedi\(^\text{17}\) in their different ways, would have it, but that explains nothing of the possible dynamic in their situation. We have to say that their dynamic is not to become more like existing workers, which is patently untrue, but rather they are tending towards increasing identification with society-wide forms: government, the political process, with the structure of their companies or group of companies rather than with profits and its expansion.

The conclusion to be drawn is that the formation of a class at the present time is not simple and that different parts of the class in formation have
acquired different aspects which are essential to the formation of the class. In this case, those who work for government have to have a national and political understanding of their circumstances, which is usually lacking among many manual workers, which is based on their real national and political circumstances. Governments often attack these groups as they draw resources from the public purse. They then have to defend the public sector, whatever the subjective view they hold. Managers often defend their own factories against closure or other predatory action, which is in the interests of value expansion or profit, against capital. This does not lead to the view that there has to be a unity of managers and workers, but rather to the conclusion that the establishment of the working class, as a class in actuality, as opposed to potential, will quickly draw to itself or neutralise most of the society.

**Classes in the USSR?**

The USSR is part also of this transitional world, which is why the societies, West and East, have clear points of comparison and similarity, without being the same. The simplistic and upside down opinion that one assumes one world system, capitalism, without proving that there is one system, and if there is, that one is capitalism, remains a dogmatic view shedding as little light on the USSR as the statement that the USSR is a society with growth. The differences, however, are fundamental in terms of the formation of a class. In the West the atomisation is economic, fundamentally caused by commoditisation of labour power, whereas in the East it is fundamentally political, though based on a political economy of a kind conducive to this political atomisation. The fact that no genuine union can exist in those societies and no form of collective action of any kind, without immediate repression, raises the question of the meaning of class in that context. No comparison in this context can be made with repressive societies in the so-called West, as it is qualitatively worse in the USSR than even the worst examples of repression in the West, in terms of working-class organisation. Not to be misunderstood: this is not a statement that the USSR is worse overall than South Africa or South America. It is simply a straight statement of the lack of ability of the workers to constitute themselves as an organised group.

If this were all it might not be so bad, in terms of the constitution of the working class as a class. What makes it infinitely worse is the nature of its political economy: with the worker relating to his own individual work process rather than to other workers. Again the comparison with capitalism only draws attention to the fact that history exists and the USSR is part of this historically transitional world, as it is quite obvious that the workers or slaves, for that matter, when unable to find reward or redress for their work react by individual withdrawal of labour in a multitude of forms. The whole difference is that in the USSR it is not an isolated action — it is the system itself. That workers in such factories as General Motors or British Leyland have a large measure of control over their own work process is testimony to the increasing socialisation of labour and similarity of certain processes the world over in the transitional epoch, but the process is not identical in the USSR.
There the individual reacts spontaneously and individually with disastrous results for the product. In the West, the worker is part of a union, which negotiates control over the production line. Such control as there is, is collective control. The individual can be controlled through the reserve army of labour or through the wage system, neither of which are relevant in the USSR.

Central to the whole conception of the existence of classes in the USSR is the view that the worker sells rather than alienates his labour power to a collective capitalist class, or a collectivity of exploiters of a new vintage. Yet the worker does not alienate his labour power in the form of a sale for two reasons. In the first place, the worker effectively receives his means of subsistence simply on the basis of being registered as employed and everyone has to be employed on pain of exile, imprisonment or worse. His education, health, housing, utilities, public transport are either free or cost very little, while his food and consumer goods are effectively obtained through a form of rationing either directly or indirectly through queuing. Wages only nominally vary according to skill level. Thus workers receive not rewards so much as a subsistence level irrespective of their performance or even the nature of their work. In the second place, the worker retains control over his labour process so that he does not actually sell control over his labour power.

The result, to sum up, is that the worker has to work by instruction of the state. He does not have a choice to sell his labour power or not. He can move his point of employment within strictly defined limits, but the movement has less to do with the competitive sale of labour power than discontent with the job itself. There is no unemployment so that there is no real competition among workers for jobs. Paradoxically, there is more competition among the intelligentsia and elite for the more prized posts, and indeed the competition there is nasty and brutal. However here we are talking of competition for the right to control others in work. Many people have been misled by Haraszti's work, *A Worker in a Worker's State*, where he produces a picture of a sweatshop controlled by piece rates although he himself repudiated it in respect of the degree of control over the labour process. Indeed other Hungarians such as Szelenyi have also made this point of the non-commodity nature of labour power.

If the worker does not sell his labour power, the elite cannot buy it but only control its product. The problem, however, for them is that they cannot control the labour process so that they cannot determine the exact nature or size of the product. The result is that the planning process does not give the elite control over the economy sufficient to ensure either their own stability or even their own individual stability. The present Gorbachev campaign against sections of the elite is a case in point. They have therefore no individual means of ensuring that they control that product but must instead exist in a state of dependence on other members of the elite, their peers, superiors and inferiors for their position and so income in the society. As a result the coherence possible in a class situation becomes impossible: there can only exist extreme instability and brutal competition for the relevant posts.
There is no collective because there are no forms of collectivity possible in the USSR. There is only a total dependence which applies as much to the General Secretary as to the factory manager. There is no controlling body in the sense of an executive committee of the ruling class, which has its own independent power which it can exert on other members of the class. The only power that the central bodies have, which can be used, is political, through the secret police, but that is not only increasingly less employable but also so total that the security of the very body issuing the instructions is always under threat.

The conclusion has to be reached that a simple affirmative statement on the nature of the ruling class will not describe the USSR. It is highly contradictory, like every other social process in this epoch. The ruling group in the USSR has the attributes of a class in that they have a measure of control over the surplus product but then they are very limited in the nature and extent of that control, precisely because they have not the control necessary over the labour process.

Putting the matter differently, since the worker works at his own individual rate, there cannot be abstract labour. If there is no abstract labour the relationship of production becomes individualised between individuals in production and hence relationships are direct unmediated mutual dependence. The degree of control varies between those who can issue instructions and those who obey, but everyone stands in both positions from bottom to top. At the top the ruling group members have a measure of control over the labour of others, whereas at the bottom the ordinary worker has no control over the labour of others, but the worker has this considerable measure of control over his own work process, which mitigates and limits the control of the ruling group. Although the worker is exploited that exploitation is qualified by his control over the work process, individualised and spontaneous as it is. The intelligentsia in turn stands between these two groups, both in charge of the labour of others, or helping to organise it or maintain it, as well as themselves alienating their labour power and so themselves being both exploited and in limited control over their labour process.

The Presence and Absence of Abstract Labour

Of course, the absence of abstract labour is crucial in understanding the USSR and the nature of the Soviet work force. Class under capitalism crucially depends on the concept of abstract labour and its formation. It is the abstract labour which provides the potential and so the essence of the working class. The worker is part of an integrated division of labour, where he has little individual control, and is subjected to the discipline of a reserve army of labour as well as pay according to performance. In the USSR, these features have been subjected to radical change. Having neither unemployment nor incentives but a system of direct control over huge plants, the usual capitalist method of division simply cannot apply. The breaking up of large plants, or large enterprises into more controllable and smaller units is not an option in the USSR, as it is in the West. The only method of preventing the workforce becoming a class has been to dissolve its very
potential: as an integrated workforce. It has been unconscious and not at all directed to that end but this has been the secret of the system's survival. Every unit, every part of a unit works at its own rate, and hence the condition and relation of each worker is different.

If there is no abstract labour there is social labour of direct dependence, and that social labour has either to control itself or become abstract labour, controlled by machinery, through value. The system in the USSR has tried a third path: that of achieving the homogeneity required through organisational and so disciplinary measures. It is compelled to do so because it is in a vicious circle of its own making: without abstract labour poor calculation and few non-defective products become the norm. To solve its political-economic problems it has no choice but to try to apply maximum pressure on the workforce, so as to achieve the same results as the market. Here lies its Achilles heel. Its stability depends on the absence of abstract labour and so a working class, but its stability also depends on providing its population with a rising standard of living. It is, therefore, compelled to find ways of bringing that class into being, as a class.

The potential in the case of the USSR does not exist through abstract labour, though a return to capitalism is not ruled out, but through direct control over the huge agglomerations in which workers live and labour. The situation in the USSR is as it were both one step back and one step forward. It is one step back in that the potential for the workers to be a class is less than under a regime of abstract labour, though it exists through the social nature of the labour and the real integration of modern production. It is one step forward in so far as the very reason for the absence of abstract labour, the atomisation of the workforce, is predicated on the absence of the controls that go with abstract labour. Once, therefore, the social nature of production forces its way through society the power of the workers will be unmediated and hence there would not be even the temporary existence of a working class movement: there would be the simultaneous establishment of workers' control with the elimination of the elite.

In other words, the day that the workers can establish themselves as a class movement, on that day the society will have been overthrown. No further battles will be necessary, since the conditions for such a movement, the decline of the secret police, and the atomisation in the society are the only instruments that exist for the maintenance of exploitation as it stands. That is why the USSR is in permanent crisis, for it is a regime constantly threatened with its alternative, a threat constantly averted through the use of force, and the absorption of fresh labour.

**Total Dependence and Class**

Where then are the classes? Not only is there no collectivity anywhere but also the groups in the society do not have an unambiguous relationship with each other.

Marx, in the *Grundrisse*, put the issue very clearly referring to the question of historical dependence. He argued that the feudal system was
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characterised by direct dependence in an isolated form, whereas in capitalism the integration of modern production removed the isolation, but mediated that direct dependence with an indirect dependence, through money. The socialist society overcomes the question of one sided dependence characteristic of previous societies through having a democratic collectivity: recognising the dependence of everyone on everyone else in an unmediated form by instituting democratic forms permitting every individual to participate fully in that collectivity, so that it no longer stands above him, but belongs to him and is subordinated to the individuals as social individuals. What, however, happens when that move away from capitalism takes place, so replacing the indirect dependence, which gives a degree of independence, with total direct dependence under modern conditions of an integrated division of labour? As there is no genuine collectivity, no democracy, there is unmediated direct dependence of the most total kind. The very absence of classes creates a society of the most insecure kind, a society which is inherently and potentially the most inhuman possible in providing no scope at all for the individual to be either social or individual.

This does not lead to unmitigated gloom, but rather to a recognition that in the USSR, the nature of the working man is different from that in the West, and that his struggles are different, while the potential for the formation of the class or the dissolution of the old society is as great if not greater, but that potential is not as visible as in the West or in the same forms. For non-scientific purposes there is no reason why the term working class should not be used, as the potential and the essence is present in West and East, but its nature is different, in the different societies. In real terms, however, it is precisely because the USSR is a society in which a new mode of production has not been established, although capitalism has been overthrown, that the difficulty exists for the workers to constitute a class. That difficulty is ultimately a reflection of the fact that the USSR does not have a stable and direct series of relations to the surplus product. That, in turn, owes its origin to the inability of the ruling group to assert its positive control over labour and its process. On the day that either workers or elite assert their control, on the same day they will constitute a class and the society will be another society.

To stress the point still more, the theoretical point that is being made is the following. Under capitalism the workers form a class over time, and to the extent that they do they constitute a threat to the society such that they have to be defeated as a class or the society must succumb. However, there is a process of formation and a struggle involved over time and space. There is also a process of defeat and decomposition for the class as a class. In the USSR, the very formation of the class implies that the old society cannot be reconstituted, because its means of control, through atomisation using the secret police, in a political economy conducive to repression no longer exists.

To the extent that there are similarities it is not due to the existence of a common capitalism, but rather to that of a common transitional epoch,
in which the form of value is decaying everywhere. There are a number of aspects to the transitional epoch which are worth dwelling on.

The Nature of the Transitional Epoch

In the first place, the epoch is characterised by its decaying form: that of value. That does not mean that there is a decline in the standard of living or forces of production, for it only signifies that increasingly production is subjected to forms which make the expansion of value as value, not as wealth, increasingly difficult. There are really two meanings here. The first involves the subjection of the expansion of value to the process of circulation, which is itself not capable of expanding value. Concretely, this means that increasingly there is a tendency to invest in finance capital, and all that goes with it: massive expansion of property investment, huge retailing concerns which rake off enormous profits, and the investment in overseas concerns where the only interest is in quick return. The effect is to starve industry of capital and so prevent a real expansion of value. The typical forms of declining capitalism are precisely this vast expansion of useless unproductive forms of value. The large profits made through finance, property, retailing and overseas investment are effectively made at the expense of the metropolitan and overseas workers. At a certain point if it were to be continued industry would cease to exist in the metropolitan country and with it its parasite: finance capital, but in practice the parasite withdraws in good time.

The second meaning to be attached to the word decay here is the understanding of forms existing which are no longer value forms. The first meaning was one in which its expansion was limited, the second signifies possible expansion but in a non-value form. Thus education, health, housing, education, transport are often removed wholly or partially from the domain of private capital. Arms production is an example of another kind, where production is geared for public use, rather than private or corporate consumption.

The second aspect of the transitional epoch is the existence of forms neither of a value nature nor of a socialist kind. Nationalisation is such a form. Full employment is another, which many overlook forgetting the total absence of full employment under capitalism, until the last war. Central economic organisation is yet another. The crucial point is that these forms common in different degrees to West and East exist as pre-conditions for socialism and cause capitalism to malfunction. At the same time they are in no way socialist, for they are normally in a hierarchical form, which is effectively an adaptation of the inequality of the market to a non-market entity.

Thus the planning mechanism, so-called, functions in a markedly inefficient way simply because planning cannot function without the existence of democracy, but democracy demands the abolition of inequality. "Planning" then gives way to commands, instructions and forms of organisational control, which ensure that the economy functions even if the "plans" are frustrated. Nationalised firms then compete with private firms, which drives the latter
to the wall, while, at the same time, the private firms extract extra value from nationalised firms, such as the arms industry, because corruption is of the nature of the interface between corporate and nationalised industries. As a result the nationalised firms are prevented from competing and the corporate industries are subject to public scrutiny.

The third aspect of the transitional epoch concerns the reflection of the product in the relations of production. The product is both value and non-value; it is contradictorily neither value nor non-value. That is in the nature of the epoch, that all relations stand at a higher level of contradiction than in a straightforward mature mode of production. By higher level of contradiction is meant the existence not just of the unity of opposites but that the very entities, which are themselves composed of such contradictory opposites, stand in opposition to other entities similarly composed. Thus value stands opposed to non-value, as well as to the use value of the commodity, since the commodity conflicts with production based on need.

Thus the relations of production are similarly complex. The increasing role of the government gives rise to an enormous bureaucracy whose interest lies not in value but in controlling value. Tax inspectors control private capital and have powers to enforce all the apparatus of repression to ensure payment for causes which the corporate sector detests. The staff of nationalised industries are more nationally orientated and stronger than workers in private industry. At the same time, however, the workers in such industries are themselves controlled by non-market but market forms such as a hierarchy based on the market. The growth of centralised capital ensures the evolution of a group of corporate managers who identify with their firm rather than with profits, and the capitalist has to take considerable measures to assert himself, even though the managers owe him their loyalty and no-one else.

We have thus a capitalist class which is a capitalist class but in a progressively weaker form, and we have a working class which is still a working class, but its forms too are changing. As it comes to be increasingly socialised it has an increasing degree of control over production, as a multi-dimensional and many layered entity. Managers are not workers but they acquire aspects of wage-labour, while white collar labour becomes both routinised and yet does not entirely lose its control over production. It is a highly contradictory world in which the old laws still operate but now subject to a new law: that of the decay of the old forms.

The world as a whole is transitional. Its ultimate predicate is that the working class has taken power and lost it, but the old order cannot re-assert itself. Whatever Reagan and Thatcher or for that matter, other capitalist utopians may attempt, they cannot restore the world to pristine capitalism. This is not just because the Russian Revolution took place and social democracy exists in most countries. That is very important but what is just as important is that production today is international production, capital is finance capital and it is both international and predatory. Competition for the little man is nonsense. The day of private competitive capitalism is long over and can only be restored by destroying both the integrated
nature of modern production and finance capital. Denationalisation really makes little difference since the controls that the government wants it can impose and does impose as it sees fit.

The Emergence of many Undetermined Combined Forms

The revolutionary movements of the twentieth century have degenerated in the absence of a working class movement able to take account of the historic defeat of the Russian Revolution. Given the overripe character of the capitalist system, movements have overthrown the old order but been unable to replace it with anything other than a blend of measures to ensure their own stability. Regimes such as Angola, Mozambique and Ethiopia have been essentially nationalist peasant based regimes with the existence of a backward market.

In fact there are only a limited number of combinations possible for these regimes. There is nationalism, representing either an indigenous elite or a local bourgeoisie, and there is the market or alternatively a controlled/organised economy, while finally there is the relative weight of the peasantry as opposed to the workers. Each of the regimes which has overthrown capitalism has had its own configuration, reflecting its own history and class forces surrounding its formation. Some have elites dependent on the administration of the economy, others have bourgeoisies, while still others have elites within a market economy. The permutations are not endless and they are limited in time. A non-peasant non-market economy cannot have a bourgeoisie while the industrialised economy of this kind is nowhere competitive with capitalism.

The Laws of the Epoch: Conclusion

The fundamental law of the epoch is that of the decline of the old forms, being replaced by forms neither capitalist nor socialist. Just as the old society in previous social formations decayed to be replaced so too the same is occurring in our epoch. The difference is that the new forms can only exist on a world scale as part of a world society, but that does not mean that the old forms do not shed themselves or that they are not replaced by intermediate forms, such as nationalisation or central economic administration, which are pre-conditions for a socialist society. The entire problem is that these intermediate forms function worse than either capitalism or socialism as systems, even if they ensure the continuance of capitalism. Paradoxically these forms are necessarily more directly social than value forms and so in that respect closer to socialism but on the other hand their entire function is the reverse; to delay the victory of socialism. The value form today cannot function alone and so these intermediate forms are acting as means of maintaining exploitation on a world scale; together with the value form they provide a stability that would otherwise not be present.

Concretely, this is visible in the unique way the USSR and Stalinism have been uniquely instrumental in maintaining Western capitalism. There would always have been a transitional epoch but it did not have to be so long drawn out, if not for the prolonged victory of Stalinism over the working class, the world over.
Finally, we may sum up this conception of the USSR, and the conception of the transitional epoch, with the following simple points.

1. The emergence of a new society, bound up with the decadence of the old, is necessarily more contradictory and so more complex than the period of maturity of the old society. Old categories have to be supplemented with new categories, and old social groups are supplemented and complemented with new groups.

2. There is indeed one world but that world is governed by the law of decline not the law of value, by the decadence of value not by its apogee. That necessarily implies that in different times and different places value exists in different degrees, or not at all.

3. The determination of what actually exists at any time or place is a concrete question, not answerable with the petty slogans of dogmatists.

4. The category of class is a category of political economy which implies that the category itself has to emerge, be formed from its potential in the essence of the political economy of the society. The formation of the class immediately destabilizes the system.

5. In the concrete case of the USSR, in the absence of value, there are no classes, though there is a powerful drive towards the creation of classes which cannot be thwarted. Such a creation would lead to capitalism or socialism. This does not imply that there are not contradictory social groups, only that they do not constitute classes. The worker is exploited since he does not control his product but the elite has only limited ability to use that product. The intelligentsia have hitherto constituted, it should be noted, an anti-working class grouping, even when leading or attempting to lead a popular struggle.

Words may be used to imply anything and the history of the left is not very happy, as, all too often, thought is discarded in favour of slogans, and in favour of the bottom line: what are the politics? Clearly the politics flowing from this analysis is far more critical of the USSR than most, since the argument is that the USSR is the major obstacle to socialism. The paradox is that the instability of the USSR has created its own stability, in ruining the very conception and for some the possibility of the alternative. The concrete political alternative outside the USSR clearly has to be the restoring of the pristine view of socialism, which has never lost its force, even if it has temporarily lost its appeal. Nonetheless the social conflict within the USSR cannot be dealt with outside that country except in so far as change in the West gives hope to those of the East.

2. Lenin: *What is to be done?* originally published in *Iskra* 19, April 1 1902, Foreign Languages Publishing House, Moscow, nd. p.117.

3. Marx: "Strikes, combinations and other forms in which the proletarians carry out before our eyes their organisation as a class," *Poverty of Philosophy*, p.173, Moscow, Foreign Languages, nd.


8. See footnote 4.


17. E. Olin Wright: *Class. Crisis and the State*, NLB, London, 1978, p.61 and G. Carchedi: *On the Economic Identification of Social Classes*, RKN, London 1977, Ch.4. The problem with both very different works is their unfortunate acceptance of the Althusserian work of Poulantzas. The view that classes do not exist outside of class struggle is at least closer to the conception of process of formation but ignores the nature of the potential for that formation precisely because Althusser rejects the fundamental Marxist concept of essence. Resnick and Wolff in an unpublished paper at the URPE conference of December 1985 also start from an Althusserian view but from the concept of the surplus product, which is a step forward. The problem is that Marx spoke not just of the surplus product but of the form of the surplus product and so the form of its extraction. It is in the evolution of that form into surplus value under capitalism, in its development and decline that class can be traced and understood. Unfortunately, by rejecting form and contradictions between forms they condemn themselves to a static viewpoint.


