

THE IMPASSE OF SOCIAL DEMOCRATIC POLITICS

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There are three stages through which every new notion in England has to pass: 'It is impossible: It is against the Bible: We knew it before. Socialism is rapidly reaching the third of these stages. We are all socialists now,' said one of Her Majesty's late Ministers; and in sober truth, there is no anti-socialist political party. That which has long formed part of the unconscious basis of our practice is now formulated as a definite theory, and the tide of democratic collectivism is upon us.

Sidney Webb, *English Progress Toward Social Democracy*, Fabian Tract, No. 15, December 1890.

I. INTRODUCTION

The notion of gradual but inevitable progress toward socialism through the vehicle of a paternalist parliamentary state has always entailed an historical determinism far more myopic than could ever be properly ascribed to Marxism. The rude shock administered by the establishment of the new right's 'market populism' as the governing ideology of the 1980s appears to have clearly and definitively shattered the complacency associated with the phrase, so oft repeated over the past century, 'we are all socialists now'.

At the same time it must also be recognised that the emergence of market populism amidst the current crisis of capitalism has simultaneously exposed in its wake the impasse of working class politics in the West. The long-standing assumption that a return to mass unemployment and an abandonment of bourgeois commitment to the Keynesian/welfare state would lead to political instability and a crisis of capitalist legitimacy, an assumption as common among liberals as among many Marxists, has been cast into doubt. For the moment at least, it is the weakness of the political forces associated with the working class—whether trade unions, or social democratic parties, or revolutionary socialist parties—that has come to the fore and brought home an old lesson: there is nothing automatic about the development of socialist consciousness when the capitalist economy is not generating material benefits or job security for the working class.

Indeed, the impasse that has been reached would appear to be the obverse of the one that many thought characterised the working classes in advanced capitalism since World War Two. Whereas it was earlier argued that the ability of the system to generate immediate material rewards

foreclosed the possibility of developing sustained and broad interest in socialist ideas, it would today appear that the absence of widespread socialist conviction or understanding among the working classes in advance of the crisis has made many working people vulnerable to the new right's ideology and amenable to the 'common sense' remedies of restraint and sacrifice as a means of restoring capitalism's health. If the 'objective' economic conditions are present today, the no less 'objective' political and cultural conditions are not. In other words, the failure to generate socialist consciousness in the period of capitalist boom appears to have laid the grounds for a further failure in the period of bust.

The consequences of this has proved severe not only for socialist politics but for working class reformism. Reformism was able to retain popular support and programmatic direction when it appeared the system could support it, but it lost a good deal of both when economic conditions and the bourgeois onslaught against previous reformist gains in these new conditions combined to demonstrate how utterly dependent the system—and every individual within it—is on meeting the requirements set by capitalists for when and where they will invest. 'Common sense' has told all of us that reforms conceived and implemented within the logic of capitalism have to be re-examined once they really do begin to have the effect of scaring business away. At a minimum, a new defence of old reforms becomes necessary; inertia alone cannot be counted on. In the elaborate and complex poker game that is capitalist democracy, the new right used monetarism to call the old left's—including the unions'—bluff with regard to the hand it had been holding for some forty years. And it turned out that we had little strength in any suit.

It has been hardly surprising, therefore, that there has been a good deal of socialist 'rethinking' going on in recent years. Insofar as the primary form of working class politics in the West was that of reformist parties, this rethinking initially took the form (often drawing on the new intellectual revival of Western Marxism since the 1960s) of attempting to understand and transcend the limits and contradictions of social democracy both as state policy and as political and ideological practice. This inevitably involved an assault from the left on the 'we are all socialists now' ideology to match the one that had emerged from the right. This in turn produced considerable internal party strife as battles were fought out over the very meaning of socialism and democracy, amidst the heady revival within these parties of a form of radical discourse which the predominant leadership of these parties had long before stopped to take seriously. At the root of it all was the perception that if the history of the modern state was not one of inevitable gradual progress toward socialism this had much to do with the effective abandonment of the socialist project by working class parties. Tony Benn characteristically captured the spirit of this development in the British context at the beginning of the 1980s:

"We have persuaded the Labour movement that one of the reasons we have made so little progress over seventy years is the weakness of the Labour Party. That is the real issue that has been raised."

With rather astonishing haste, and long before the project of transforming these parties could be said to have been achieved, a remarkable shift of direction has taken place in the general orientation of leftist intellectuals towards understanding the roots of the impasse. Increasingly, this rethinking has placed under scrutiny the very nature of the socialist project itself, above all as it has been classically conceived by Marxism. Brought into question has been the centrality, or at least the relative salience, of the working class as the agency of social change, whether because of the declining proportion of manual industrial workers in the labour force, or because of the inherent inability of workers to transcend militant trade union economism. At the same time, the vision projected by Marxism—and especially by 'actually existing' socialism's practice—of a **centrally-planned** non-market economy has come under increasing attack for associating the notion of socialism with authoritarian statism. While by no means unimportant issues have thus been raised, sometimes with considerable insight, the irony of this orientation to the problem is that it not only shifts attention away from the primary modern practice of the Western working class—reformist social democracy—but actually replicates, both in its critique of Marxism and in its strategic proposals, many of the essential tenets of that very practice.

The response of workers to the crisis must not be seen mechanically or ahistorically as something inevitable, or as 'natural' or 'given'. It is rather a product of a range of previous practices which fostered certain structures and ideas that blocked the development of a viable socialist response to the crisis, and that excluded socialist options as 'unrealistic'. If we see the impasse in this way, as something constructed rather than given, we may also see that *the impasse pertains not only, indeed not so much, to the drag that the working class or Marxism imposes on the socialist project, as many would have it today, as to the drag that social democracy continues to exercise on the working class and the intellectual left*. For even though the Keynesianism and corporatism of social democracy have exhausted the limits of their reformist and electoral possibilities in the current crisis, they retain deep ideological and organisational supports which recent intellectual and party political experience indicates cannot be easily transcended.

To speak of the impasse of working class politics rather than the impasse of socialist politics involves a deliberate decision, therefore. It is designed to establish at the outset the problematic of the link between the achievement of socialism and the working class as its progenitor; and it is to emphasise that, contrary to much current misconception, *it is not only the viability of revolutionary socialism that is open to question as a result*

of the current crisis. The impasse we have been speaking of pertains far more to reformist gradualism precisely because this has been—and remains—the primary practice of Western working class parties. This is not to deny the need for **Marxian** socialists to engage in a profound reexamination of a strategic kind with regard to their own forms of political practice, but this is hardly to be achieved through putting aside all of the difficult questions about how a transition to socialism in the face of bourgeois opposition is actually to be effected, which, as we shall see, the new revisionism is wont to do. Before turning to a critique of the latter however, it will be necessary to define in more concrete terms the exact nature of the impasse of working class politics.

II. THE CONTRADICTIONS OF SOCIAL DEMOCRATIC GOVERNMENTS

To understand properly today's impasse, we must locate it in the historical context of the rise and fall of post-war social democracy. Until the post-war era, the socialist aspirations and rhetoric of social democratic parties had stood uncomfortably alongside their strategic commitments. How could public planning and control over the economy—which was the principal case offered not only for distributive reforms but for public ownership—be effected without offending the principle of inter-class compromise and cooperation upon which the gradualism, parliamentarism and tripartism practised by these parties ultimately rested? When a party like the British Labour Party finally committed itself to socialism in the sense of Clause Four—the taking into public ownership of the means of production, distribution and exchange—it never answered the question that arose over how this could be achieved while at the same time retaining its long-standing commitment to class cooperation as opposed to class struggle. As for the classic social democratic parties of the continent, their dilemma after World War One was no longer how their vulgar economic Marxism could be made consistent with their tepid political parliamentarism, but how their tripartite 'functional socialism' could retain its relevance when the bourgeoisie refused to cooperate in it (at least once the immediate revolutionary threat of at the end of the war had passed). This difficult question of how economic planning might be introduced without causing a massive political fissure was either avoided or it was answered in the face of capitalist opposition by the abandonment or marginalisation of such economic planning structures as had been initiated by social democratic governments at the end of the war.

After World War Two, on the other hand, in the context of the experience of the Depression, the defeat of fascism, and above all the onset of the greatest boom period the world economy has probably ever known, the conditions were established for social democracy's apparently successful resolution of the above dilemma. With Keynesianism and the welfare

state coming to provide new substantive content to 'state intervention' and being accepted as such by significant sections of bourgeois opinion, it was no longer necessary 'for social democratic parties to emphasise public ownership as the centrepiece of planning or control over the economy. Indeed, to do so would involve throwing away the opportunity for class cooperation through tripartite indicative planning and, as was so often repeated at the time, confuse means with ends. Social democratic leaders discerned the **emergence** of an efficiency-oriented managerial class which had come to appreciate the limits of an unregulated capitalism and the virtues of macroeconomic planning, welfare reforms and stable industrial relations. In turn, capitalists and senior bureaucrats discerned a party leadership anxious to prove their 'soundness' and 'responsibility' by playing the key role of securing trade union cooperation in incomes policies so as to obviate the inflationary pressures of full employment capitalism. To one side this meant that we were all socialists now; to the other—and with rather more justice—that we were all capitalists now. But what did it matter? The terms were misleading in any case, were they not? This was after all the era of the end of ideology.

Or so it seemed. The so-called post-war settlement between labour and capital in the West may have concealed to some extent, but it hardly closed, the contradictions that give rise to class and ideological struggle and to economic instability under capitalism. In particular, the resurgence of industrial militancy in the late 1960s threw into sharp relief at one and the same time the economic strength of workers under the conditions of near full employment and the political weakness of labour *vis à vis* capital even under the tripartite economic planning arrangements of social democratic Governments. Moreover, the drawing to a close of the post-war boom in the 1970s underlined the instability of corporatism and revealed the fragility of the **Keynesian/welfare** state. A combination of special conditions had produced the high investment ratios of the 1950–73 period: the cleansing of unproductive and less dynamic capitals during the depression and the war; large post-war pools of skilled cheap labour; clusters of technological innovations favouring productivity growth and mass consumer demand; the weakening of trade union militancy during the Cold War; the abundance of cheap raw materials and the availability of new markets and relatively open trade under US economic leadership. Each of these ran out, however unevenly, by the early 1970s. This made particularly problematic for the economy and the state the consumerism and confidence of the workers which the boom had generated and which combined to sustain industrial militancy in the 1970s even as unemployment levels began their disastrous ascent. At the same time, the explosively expansive potential of public employment and state social expenditures became increasingly clear as the employment and growth performance of the private sector declined.

The collapse of the Keynesian era in the stagflation of the 1970s meant that the old 'settlement' had to be renegotiated—and not only between capital and labour, but also within labour, i.e. between social democratic leaderships and their trade union base. How to generate new capital investment while simultaneously extending the limits of reform so as to provide effective 'quid pro quos' for new rounds of wage restraint by the unions became the central question for social democratic governance in the 1970s. This did not in itself appear to entail an impasse for reformist working class politics. On the contrary, it seemed to provide the opportunity for a new testing of the limits of reform within capitalist democracies. And, indeed, a shift to the left, a resurgence of parliamentary *socialism*, was visible in one country after another. What was now taken up was what had been largely foregone in the post-war settlement in the way of industrial democracy and effective control over private investment decisions: the sphere of production rather than that of distribution became the primary focus of legislative reform. This was seen, for instance, in the turn by the DGB and SPD Government in West Germany towards 'Strukturpolitik' and investment planning as well as the attempted extension of codetermination beyond the iron and coal industry. It was seen in Sweden in the famous Meidner Plan and in the legislation in the mid-1970s which provided a legal framework for union challenges to managerial prerogatives on the shop floor and for worker participation schemes on works councils and company boards. It was seen in Britain in similar progressive labour legislation and the proposals of the Bullock Inquiry on industrial democracy as well as in the planning agreements and National Enterprise Board elements of Labour's 1973 programme. And it was seen, of course, in the emphasis on autogestion and nationalisation that characterised the phenomenal revival of the French Socialists under the umbrella of the Common Programme.

What has now become apparent after a decade is that in one country after another the much-vaunted social partnership, insofar as it ever existed beyond the most superficial and conditional levels, simply could not be reconstructed on a firm foundation. As social democratic parties took up demands for industrial democracy and investment planning, it now turned out that it was capital that balked at cooperation on such revised terms. In Germany and Britain this became clear very quickly in the mid-1970s, even though the SPD and Labour Governments adopted conventionally restrictive, virtually monetarist, macroeconomic policies. The German employers' constitutional challenge to the codetermination law and their 'taboo catalogue' on negotiations over work-time reduction led to the complete breakdown of Concerted Action in economic policy making in 1977 and to the six-week metal workers strike and lock-out in 1978 which presaged the even more protracted and bitter conflict of 1983 and shattered the myth of social consensus. In Britain, the radical thrust

of the planning agreements and enterprise board proposals was quickly jettisoned in the face of business opposition, but neither this, nor the extensive wage restraint practised by the unions under the Social Contract until 1978, allayed capital's fears of 'union power'. Above all, as Colin Leys' interviews with CBI leaders have shown, the Bullock Report's majority recommendation for parity representation on company boards, although not taken up by the Labour Government, became the 'rallying point' for the conversion to Thatcherism by British industrialists regardless of its destructive implications for manufacturing industry. 'It was at this time that opinion among the CBI leadership shifted from a defence of collaborative relations with the state and the labour movement to one of more or less open rejection. . . In the mid-1970s a majority of manufacturing executives had come to feel that the survival of capitalism was at stake. They judged that unless trade union power was drastically reduced, control of capital would pass out of owners' hands and profits from manufacturing would progressively disappear. Consequently short-term business interests, and even the long-term interests of individuals or firms had to be sacrificed. Even those who were unconvinced by the Thatcherite project saw no realistic political alternative. . .'²

Just how widespread, and how fundamental, is the breakdown of the post-war consensus can be seen by looking at the Swedish case. Despite the defeat of the SAP in 1976, it seemed to many that the elaboration of the Meidner Plan laid the foundation for Swedish social democracy's inauguration of a new 'middle way' socialist society without having to disrupt economic growth and class harmony. These hopes have been disappointed not only by the severe watering down of the wage earners funds scheme after considerable strife in the social democratic party, but by the real and growing disenchantment shown by Swedish capital with the social consensus approach. This has been seen not only in the **SAF's** vociferous opposition to the wage earners funds even in their watered down versions as little more than forced savings schemes; it could also be seen in the Swedish employers' determination—and their recent **success**—to break the wage solidarity practice of the LO and the system of centralised bargaining upon which it was based. After the massive general strike of 1980, and the extensive strikes of the following year, protracted negotiations in 1982–3 were only concluded after the crucial metal sector settled separately without regard for the wage solidarity principle. Finally, in 1984 centralised bargaining was abandoned altogether in favour of sector by sector bargaining. This was a major victory for the employers and was achieved even in the face of the LO granting major concessions. This dramatic change in labour–capital relations has occurred in spite of the social democrats re-election in 1982. And it has occurred in spite of the introduction of a version of the wage earners funds that pose no **challenge** whatever to capital in terms of economic democracy and the

socialisation of industry and in spite of the expressed hopes of the government that the funds will 'secure acceptance for a high level of profit in enterprise', 'reduce distributive conflict' and encourage restraint in collective bargaining'. Swedish capital's mobilisation against the funds and their dismantling of centralised bargaining shows that capital's own interest in social consensus is a highly conditional one: the attempt by working class institutions to pose fundamental challenges to managerial prerogatives or private ownership as a 'quid pro quo' for wage restraint finds capital withdrawing from the process.³

What this means is that the old dilemma has reasserted itself: those social democratic parties which remain in office in the 1980s are primarily engaged in managing the crisis in a form increasingly reminiscent of the inter-war years. Where unemployment levels have been kept relatively low (as in Sweden and Austria compared with France) considerable credit is due to the cushioning effect of public sector institutions and practices forged during the era of consensus. But concern with reviving business profits and reducing the deficit have been the main themes of recent Budgets in Austria and Sweden; and this, along with the accelerating trend to decentralised bargaining in these countries as capital exploits and exacerbates labour's divisions and insecurity in this era of capitalist 'restructuring', clearly indicates that there is little prospect for a stable or unproblematic revival of the old consensus politics. And if this is the case for Sweden and Austria, it is most certainly the case for Britain where the crisis—economic, ideological and political—is incomparably more severe.

III. LABOURISM AND THE WORKING CLASS

To begin an examination of the impasse of working class politics by stressing the historical dilemmas of social democracy and the limits they impose on political practice, as we have done, stands in sharp contrast with current intellectual trends on the left.⁴ From André Gorz's *Farewell to the Working Class* and Eric Hobsbawm's *The Forward March of Labour Halted?* the starting point for analysis of the impasse has been what it tells us about: a) the nature of the working class, and relatedly, b) the errors of 'orthodox' Marxist notions of class struggle as the focal point of socialist politics. Consequently, insofar as the practice of working class parties is criticised, it is for too close an attachment to traditional forms of class politics.

One must, of course, be careful to distinguish between a Gorz and a Hobsbawm, between a 'Green' and a 'Eurocommunist', analysis of the impasse. Gorz's polemic against 'Saint Marx' involves a fundamental displacement of the working class as a potentially revolutionary subject (by a vaguely-defined and rather amorphous 'non-class of non-workers'). Counterposing his position against a caricatured presentation of Marx as believing that the development of capitalist forces of production would

directly give rise to a spontaneously unified, inherently 'universal', revolutionary class of industrial workers, Gorz presents an exactly opposite picture of an 'actual' working class which neither is, nor can be, anything more than a pale, and increasingly fading, reflection of capital itself, incapable of doing more than bargaining over the price of its labour. Gorz belittles in this fashion the enormous stress Marx put on the role of unions and parties in 'the formation of the proletariat into a class' and he ignores the actual historical experience of the attachment of large sections of the working class to socialist parties. He shows little interest, therefore, in examining the practices of these parties to discern the extent to which they fostered or constrained its revolutionary potential. The matter is settled by his denial of this potential in face of the original Marxist sin of having based its political practice on chasing a false god. A rather more nuanced argument, but with a similarly one-sided reading of Marxism's alleged forces of production determinism, is offered by those 'discourse' theorists who grant the conjunctural preeminence of class conflict in certain historical periods but attack Marxism for its *a priori classism*, its tendency to privilege the working class among a plurality of possible hegemonic subjects 'whose forms of constitution and diversity-it is only possible to think if we relinquish the category of "subject" as a unified and unifying essence'.⁶

The remit of these critiques of Marxism (apart from their misinterpretations, to which we shall return) obviously can have little salience in explaining the impasse in those countries where social democratic parties, which have long since rejected—or never adopted—Marxist analysis, have been the focal point of working class politics. Whatever their relevance to the Second International's pre-World War One practice or to the contemporary politics of the French Communist Party, they are largely beside the point if we are trying to understand the impasse today in Britain or West Germany or Sweden. Far more germane, therefore, is the interpretation of the impasse offered by Eric Hobsbawm in his attempt to confront the crisis of British Labourism. Hobsbawm has consistently identified a declining secular trend in Labour Party voting corresponding with the relative numerical decline of the manual working class and a growing sectionalism among trade unionists as the two fundamental problems which socialists had to analyse and overcome. Neither engaging in the caricature of Marxism so evident elsewhere, nor calling for the abandonment of the working class (his model is clearly the Italian Communist Party which 'is and wishes to remain a classical mass socialist labour party, attempting to rally the widest range of forces around its essential core of the working class'), Hobsbawm nevertheless insists that the old formula that governed socialist strategy in the first half of this century (i.e. 'class = support for the Workers' party = being against capitalism = for socialism') no longer automatically obtains. Even among the core of Labour's traditional

manual working class support, as Hobsbawm increasingly has come to argue since the disastrous results of the 1983 election, and as Stuart Hall repeatedly warned before it, the long-standing pull of traditional loyalties have considerably frayed, especially under the impact of the dissolving effects of consumerism and mobility on working class communities.⁷

Although the tenor of the argument sometimes gave the impression of sociological reductionism regarding the declining working class, and of a remarkably uncharitable portrayal of trade union behaviour (which largely ignored the unrequited wage restraint practised under the Social Contract), it needs to be recalled that Hobsbawm insisted that what he was describing was an avoidable crisis:

. . . Marxists are not economic and social determinists, and it simply will not do to say that the crisis of the working class and the socialist movement was 'inevitable', that nothing could have been done about it. . . If we are to explain the stagnation or crisis, we have to look at the Labour Party and the labour movement itself. The workers, and growing strata outside the manual workers, were looking to it for a lead and a policy. They did not get it. They got the Wilson years—and many of them lost faith and hope in the mass party of the working people."

Because Hobsbawm was looking for, nay, insisting on, more than superficial analysis of the impasse and solutions to it, one might have expected that a serious and sustained analysis of the role of the Labour Party would have been undertaken, not as an academic exercise nor one directed at finding the appropriate culprits to blame, but in order to lay the basis for a truly innovative way forward. As sensitive and acute an historian as Eric Hobsbawm could hardly have imagined that the Wilson years or the Callaghan years which followed were accidents of Labour's history rather than products of it, nor that fundamental change in the leadership, and more importantly, the long-standing orientation of political parties is something that might be affected smoothly, without the pain and cost associated with rancour and division. Yet apart from the kind of passing comment offered above, this analysis of the party's historical contribution to the construction of the impasse has not been forthcoming. On the contrary, the brunt of Hobsbawm's attention (and ire) has been directed towards a polemic against those very forces in the Labour Party which have sought such changes in organisation, personnel, ideology and policy as would forestall a continuation of the practice of the Wilson/Callaghan years. The thrust of change is portrayed as irresponsibly divisive in the face of the need for a popular front against Thatcherite reaction. The attempt to require of the leadership a commitment to mobilisation and education towards a socialist transition is caricatured and derided as an ultra-leftist attempt to establish a 'correct position and wait for the British people to recognise how wrong they are in not agreeing with

it', And, despite his insistence that the 'solution lies not in changing the workers, but the party' (as if the whole brunt of his analysis on economism and sectionalism does not belie such false polarities and does not implicitly require that the workers as well as the party be changed), it is he who insists that Labour return to the traditional presentation of itself as a 'broad people's party' as the fount of its politics. He demands that the party define its socialism in terms of 'a fair, free, socially just society', realistic policy, awareness of the conflicting sectional interests of workers, and, above all, in terms of Labour having an electoral chance to immediately form a government. This may indeed presage a different politics than practised during the **Wilson/Callaghan** years, but it is cast in such familiarly general terms as to invite the question of what is new?

Precisely because Hobsbawm no longer undertakes a serious examination of the Labour Party's role during what he takes to be a long period of decline rather than a sudden fall from grace, precisely because he levels his political critique against those who call for a more explicitly socialist orientation for the party, his intervention does indeed bring to mind the earlier revisionist debate at the end of the 1950s when it was argued that Labour had to abandon outmoded socialist nostrums to catch up with an embourgeoisified working class. The parallel has been repeatedly drawn in the debate that has raged around the new revisionism, but it is really only germane in one respect, and that is for a common crude determinism which moves directly from socio-economic changes to the orientations of the electorate, without a serious examination of the role of the party as an intervening variable. James Cronin has gone to the heart of the matter in contending that what is at issue is not the empirical validity of the new revisionism's descriptions of changes in social structure or voting behaviour, but rather that 'they remain embedded in a form of analysis which. . . is distinguished by the simplicity of its understanding of the link between politics and class structure'. In other words: 'The recourse to social structural explanation is had, therefore, even before the political dimensions of the problem are recognised and discussed, and certainly prior to the development and testing of any argument that assumes that the political crisis might in fact be rooted in factors that are in themselves primarily political in nature.'⁹ This recalls Frank **Parkin's** riposte to the earlier revisionist contention that the deradicalisation of socialist parties was a necessary response to changing attitudes on the parts of its supporters. His point was that this approach ignored the extent to which parties are themselves critical to the formation of working class political perceptions: 'It seems plausible to suggest that if socialist parties ceased to present a radical, class-oriented meaning system to their supporters, then such an outlook would not persist of its own among the subordinate class. . . This is really to assert that the mass party has a potentially more formative influence on the political perceptions and understanding of the

subordinate class than is generally **acknowledged**.¹⁰

When cast in this light, it immediately becomes clear that Hobsbawm's equation regarding the period of 'forward march' (class = support for the workers' party = being against capitalism = for socialism), which captures so much of the new revisionism's assumptions regarding the historical trajectory of working class politics before the socio-economic changes that allegedly produced the impasse, actually represents a form of class reductionism which fails to acknowledge how indirect and tenuous the posited identities actually were. Hobsbawm acknowledges that even when a growing number of workers could have been relied on to accept the equation, that itself 'was not enough, as the history of the Labour Party shows'. But what he does not do is analyse to what extent the historical practice of the Party, during the period of 'forward march' no less than later, was not merely 'not enough' but actually served to render the equation invalid.

The first point that must be made in this respect is that the primary association between class identity and workers' party was always far more ambiguous in the case of the Labour Party than is currently admitted. It must be remembered that the attachment of the dense network of pre-existing working class institutions to the Labour Party in the first decades of this century took place in a manner, unlike the case in much of Western Europe, whereby the party was itself little involved as an agency in the formation of class identity and community. As Cronin puts it, the trade union leadership came to attach its organisations to Labour, thereby making it a mass workers party, by virtue of the political vacuum left by the Liberals resistance to growing union strength:

Into this vacuum the Labour party stumbled. I mean stumbled in a very serious way, because it is impossible to detect any particularly keen political intelligence running through the party's organization or appeal in this period, nor can one find any particularly dramatic transformation of consciousness among **working** people. . . The Labour Party, in short, won the allegiance first of the leaders of the **working** class and its organizations and then of the workers as a whole, but less by its own organizational efforts than by default on the part of the other parties. This would mean, of course, that the fit between the outlook and policies of the party and the attitudes and beliefs of **working** people would be highly imperfect, and in general much less close than the organizational links between the party and the class. Only to the extent that the party's thinking was itself fuzzy and unclear and to the extent that its appeals were based upon class identity rather than program did it **reflect** what might be called the underlying consciousness of its supporters. This rather vacuous and negative compatibility would serve Labour well enough when the fortunes of the party and the class were for one or another reason on the rise, but it would do far less **well** in periods when the climate was **unfavourable**.¹¹

It must immediately be added, moreover, that Labour's own ideological self-identification as a class party (and hence its very 'class appeal') was

always a particularly tortured and ambiguous one, despite its manifest organisational, financial and electoral working class grounding. Hence the extent to which it reinforced and extended class identity *vis à vis* its supporters—actual and potential—is by no means something to be taken for granted. Labour's predominant ideological orientation was consistently one of presenting itself as a national party, not in the Gramscian sense of formulating and leading a hegemonic class project, but in the conventional idealist sense of defining a 'national interest' above classes. Fabianism and Macdonald's 'organic' conceptions of socialism (the watchword of which was 'not class consciousness but community consciousness') most clearly represented this 'national' as *opposed* to class ideological orientation. This is not to say that the party did not represent and even formulate working class demands, but it did so in a manner that a *priori* conceived these demands as inherently partial and sectional. Labour certainly lived off, electorally and organisationally speaking, the existing consciousness of the class but far from carrying it to a hegemonic political plane it attached itself to it through reinforcing and on many occasions actively inducing those values of moderation, responsibility, and class harmony that encapsulate class identity within a subordinate framework. This orientation was never ubiquitous in the party and intra-party conflict very often could be traced to implicit challenges to this predominant thrust. But it gathered strength through the course of the century rather than attenuated, particularly so long as social democracy was able to conceal the fundamental contradiction contained in its planning plus class harmony strategy by virtue of the **conjunctural** inter-class collaboration that emerged around the mixed economy and the welfare state after **1945**.

The broad-based alliance that produced the **1945** Labour Government's massive majority, did indeed contain within it considerable popular radicalism. But, Gareth Stedman Jones is by no means wrong to point out that 'the present appeal of **1945** is not primarily based upon an assessment of its policies,' but rather upon a nostalgia for the social and political alliance upon which it was based'. From Morgan Phillips concern as General Secretary of the party during the **1945** electoral campaign to 'remove at the outset any lingering impression that the Labour Party is a class party'¹² to the predominance of Beveridge's liberalism and Durban's Fabianism in the programmatic and ideological framework of the new Government, the ideological orientation which proinulgated planning and class harmony as the embodiment of socialism remained dominant and foreshadowed a series of reforms which, with great consequences for future developments, foreclosed rather than opened up a 'forward march for labour'. Stedman Jones, who shares a good many of the new revisionism's prescriptions for current strategy, is correct when he points out regarding the **1945** Government that 'the assumption of social reform and post-war reconstruction for the welfare of, rather than by the agency,

power and intelligence of, the working class remained deeply ingrained'.¹³ Hobsbawm, of course, has contributed much himself to such an understanding of the historical limits of Labourism. Indeed, on the landslide of 1945, he once wrote: 'This does not mean that the reformist leadership of the labour movement has become any less wedded to the status quo; if anything the opposite has been the case. It is quite as easy to justify a moderate policy in socialist as it is in conservative phrases; the former may be even more effective.'¹⁴

What Hobsbawm did not recognise then and fails to acknowledge now is that Labourism is a practice that has had no little bearing not just on reproducing reformist attitudes among workers but on the actual withering away of the party's class base. And here we come to the nub of the matter. The discourse theorists are by no means wrong to place enormous stress on ideological and cultural factors in the formation of social and political subjects. Class identity, class consciousness, class politics, are indeed but one of a number of possible forms of collective expression even in a capitalist society, and it is by no means an automatic and inevitable outcome of economic locations in productive relations alone. Where the discourse theorists falter is in their utter relativism. They fail to recognise that the salience of relations of production provides great potential, by virtue of their central place in the constitution of social arrangements in general as well as their inherently exploitative and hence contradictory and conflictual character, for struggles about and around the formation of class subjects; and that in turn the possibility of realising a socialist project cannot conceivably do without working class identity, consciousness and politics forming its mass base and organisational core. This is not only because of the potential size of a collectivity which draws on those who occupy subordinate positions in production relations, but again because of the centrality of such a collectivity to the constitutive principle of the whole social order. If the issue is in fact social transformation, the supersession of capitalism as a system, then the mobilisation of the working class's potential range and power is the key organisational and ideological condition. It is hardly sufficient, but it *is* necessary.

But here is where Labour's 'discourse' precisely comes in. There was indeed no basis for an assumption that the class identities formed among manual workers in their trade unions and local communities through their experience of and struggles against an earlier industrial capitalism ('the making of the working class') would *automatically* persist, let alone extend to new occupational strata of workers or to new communities. Much less was there ground for thinking that left to itself, this old class culture would transcend occupational, industrial or local particularisms or the economism and sectionalism that so often are their trade union expression. And least of all should it have been thought that a hegemonic class self-identification and political orientation *vis à vis* other groups and classes,

including that aspect of it that involves being 'against capitalism and for socialism', would directly flow from the numerical growth of workers (manual or other) or even their electoral 'support for a workers party'. The whole point of inserting the working class party into the equation as a mediating factor between class and socialism—and, putting it less abstractly and formally than equations allow, the historic importance of the formation of mass working class parties around the turn of the century—was precisely that they were potentially more than the electoral aggregators of individual expressions of pre-existing class identity, projecting them into the state arena as conduits for the attainment of governmental office by party leaders (socialist or otherwise). Mass working class parties were rather the essential condition in the twentieth century for the reinforcement, recomposition and extension of class identity and community itself in the face of a capitalism which continually deconstructed and re-constructed industry, occupation and locale. They were also the essential mechanism for the transcendence of sectionalism, particularism and economism not only through the national identity given to the class though its association with the party's project of winning state office, but through their potential role in socialist education and mobilisation. After all, if the notion of a hegemonic class project means anything, if the struggle for socialism **was** to be more than elitist, vanguardist, a war of manoeuvre (pick your anti-Leninist adjective), then it above all required class identity and community of a new kind. This had to include widespread understanding of how capitalism worked in genera?, of why supporting a workers party meant being against capitalism as a system, and of a socialist vision that meant more than 'more' in the particular and economic sense, all leading to a self-confidence on the part of a very great number of working class activists to provide leadership in their wider communities in relation to multifarious forms of subordination, deprivation, and struggle,

That the Labour Party had not played this role has a great deal to do with the impasse of working class politics. In so far as non-manual workers in the service, commercial or retail sectors do not see themselves or politics in class terms, this has something to do, if we do not have an economic reductionist view of class formation (whether of a vulgar Marxist or modernisation school variety), with Labour's discourse. Labour tended, especially in the critical post-war period that witnessed the growth and even the unionisation of these new strata of workers, to define working class in terms of an old 'sectional' manual industrial stratum, to define white collar occupations as 'middle class' in the conventional bourgeois terms of income, education and status, and to take as evidence for the need to move even further away from the language of class politics the expansion of this grossly-conceived 'middle class'. As old manual working class communities declined and the locus of a new manual working class shifted to new industries and locales, a privatised 'instrumental collectivism'

replaced old communal solidarities and became the fount of a largely apolitical trade union militancy. This cannot be separated however from the failure of the party even to try to refashion new class communities by engaging the 'affluent' worker in class terms—that is, other than trying to use the old class loyalties of the union leadership to prove that Labour could secure wage restraint from the unions where the Tories could not. It is all too often forgotten that Goldthorpe and Lockwood ended their famous study with this very observation, and one may perhaps be forgiven therefore for quoting them at length in this regard:

It is... difficult to accept entirely at face value the argument typically advanced by those advocating a 'centrist' strategy that this is made *necessary* by the changing nature of economic and social conditions—that it represents the only realistic and responsible line of development of Labour politics within the affluent society. Rather, we would suggest, such advocacy must be understood as being itself a political initiative—an attempt at political leadership—intended to take the party away from radical politics of a class-oriented kind because a move in this direction is regarded as inherently desirable. . .

However, the fact that the strategy in question is not empirically well-grounded has significant consequences. It means, for example, that Labour has in one sense underestimated the potential firmness of its support among the **working** class and thus the possibilities offered by retaining—and developing—its class base. On the other hand, though, it means that the effect that affluence and its concomitants most probably *have* had on the **working-class** Labour vote have been neglected. That is, the tendency for a purely affective or customary attachment to Labour to give way to one of a somewhat more calculative kind: an attachment likely to be more dependent on Labour clearly and consistently demonstrating it *is* the party of the working man. This neglect would appear to have become particularly far-reaching in its implications in the course of the second Wilson administration. Government economic **policies—notably** in regard to prices and incomes and industrial relations—have not ~~been~~ manifestly **favourable** to working class interests, and there have been few compensating measures of a radically redistributive or otherwise egalitarian kind. Under such circumstances, it is not hard to envisage the frustration of the affluent worker's private economic ambitions leading to still further attenuation of the links between localised trade union collectivism and electoral support for the Labour **Party**.¹⁵

The terrible irony of this prediction is that its coming to fruition, as manifest in the decline in the Labour vote in the 1970s and early 80s, is now taken as the basis for a renewed determinist reading of electoral trends (what might now be called the 'Crewe-Hobsbawm School of Psephology') which asserts the necessity again for a centrist strategy and an attack on radical politics of a class-oriented kind. If any critique of this new revisionism is to be more than facile, however, it must be recognised that the perverse electoral consequences of Labour's rejection of class politics are the remit, not merely of the policies of the previous Labour Government or the one before it, nor even of the revisionism of the 1950s, but of the much older and deeper practice whose effects in terms of the

withering away of working class political identities are by now very difficult to reverse. The long term socio-economic changes, in other words, have had many of the effects it was claimed they would precisely because of *long-term* political and ideological practices, and immediate electoral tactics are actually framed in terms of *their* all-to-real effects. The two most systematic studies of working class attitudes which actually compare British workers with Swedish and French (Scase and Gallie)¹⁶ *do* find that British workers are far less class conscious in any sense that is meaningful for the prosecution of socialist politics and that the long-standing ideological and organisational practices of the working class parties in each country are among the primary determinants of this difference. This should hardly be surprising. Apart from the ambiguous and tenuous and defensive nature of Labour's class appeal, the very fact that a mass party of Labour's size and importance has not been able to sponsor or sustain throughout the post-war years a mass readership socialist newspaper speaks volumes to the failure of the party in defining the language and terrain of politics in distinctive enough terms to make class politics viable. This is not only a matter of failing to provide a class and socialist discourse for new potential supporters, but of the consequences for traditional supporters. Raymond Williams tells the story of his mother who took the old Labour *Herald* because she was a trade unionist. When Hugh Cudlipp took it over and changed its name and orientation in the 1950s with the Labour Party's blessing to 'modernise' it, she continued taking it. And when it was taken over by Rupert Murdoch and changed its name again in 1967, she also kept taking it. Whenever asked what happened to Labour 'opinion', Williams points to the history of this chauvinist newspaper, *The Sun*.¹⁷

What all this means is that the roots of the impasse do indeed extend very deep in British society. Those who would point to the growth of trade union membership and the extensive militancy through the 1960s and 1970s as evidence for the continued salience of class and class conflict are by no means wrong to do so. But the fact is that the main expression of class struggle took place on the limited terrain of the industrial sphere, and was not attended by a politicisation which could overcome the sectionalism and economism of instrumental collectivism. This certainly belied romantic assumptions regarding the direct revolutionary implications of this militancy even as it increasingly confirmed the inherent instability and contradictory character of the Keynesian/social democratic state. To be sure, the constant tendency of the Labour leadership—in and out of office and including the 1945 Government no less than subsequent ones—was to see this militancy entirely as a 'problem' for the macroeconomic management of the economy. It was something to be restrained and coopted via centralised corporatist arrangements with the union leadership designed to insulate them from membership pressures and instil capitalist growth criteria

within the formulation of union wage policy. This needs to be stressed as one of the major long-term practices which contributed to the construction of the impasse. Far from support for the workers party equating itself into being 'against capitalism', Labour Governments took any indications that trade union militancy involved such a dimension as the evil product of 'tightly knit groups of politically motivated men'.

The issue is not one of 'betrayals' by this or that Government. Of course, there were many betrayals, not least of the promise of full partnership for union leaders in the making of economic policy alongside capital and the state or of the promise that wage restraint would be compensated for by controls over investment and prices, and by income and wealth redistribution. But the union leadership's readiness to practise wage restraint short of these conditions being met, and the second-order prioritisation they gave to these aspects of the 'social contract' under each post-war Labour government as compared with industrial relations reforms which facilitated what Richard Hyman has recently pointed to as the *passive* growth of union membership ('boosting union numbers without winning workers' active commitment') must be counted in as part of the equation.¹⁸ Yet, even given all this, it can hardly be said that the Labour leadership betrayed mass socialist aspirations, for these were far from the direct source either of the Labour vote or of union militancy. On the contrary, the very identification of socialism with the corporatist and bureaucratic practices of an increasingly cramped Keynesian/welfare state certainly did create considerable popular space for what finally became embodied in Thatcher's market populist appeal amidst a politically privatised and only instrumentally collectivist working class. The appeal of less taxation, law and order and chauvinism can be a strong one, even if only temporarily, when reformism has little else on offer.

IV. THE CHALLENGE FROM THE LEFT

If the foregoing argument would seem to indicate that the obvious strategic alternative to an increasingly cramped and beleaguered collaborationism lies in the attempt to turn social democratic parties towards a more explicitly socialist orientation, as was undertaken by the left in the Labour Party after 1979, it must at the same time be said that here is where the full awesome measure of the impasse becomes visible. For what the British experience indicates is that the very attempt to transform the party in such a way that it becomes a vehicle for socialist mobilisation is no easy task, however discredited pre-existing practices may have become. This is because the prerequisite working class identity and self-confidence, let alone the mass popular support for socialist ideas and alternatives, can hardly be said to be ready made after decades of social democratic practice but have in good part to be constructed anew. It is also because the very attempt to change the party in such a fundamental manner inevitably

results in such severe internal party divisions as to undermine the immediate defensive role which such parties play against right wing forces, at least in immediate electoral terms. It is in no small part the recognition of this that has led many socialist intellectuals to **turn** against the Labour left with considerable vigour. Unfortunately, in their apportioning of blame for Labour's divisions they fall wide of the mark, as they do, moreover, in their facile promise of the viability of a return to reformist gradualism and consensus politics.

What took place in the Labour Party after **1979** was certainly the best organised, most inspired and most sustained attempt in the party's history at turning it from a party of defensive and tepid reform and integration into a party of socialist mobilisation and transformation. The profundity of this challenge has less to do with the specificities of the AES, the constitutional reforms, or the changes in defence policy, than with the strength of determination and the degree of talent and skill that was unleashed by a new understanding on the part of so many activists of the severe qualitative limitations of Labourism as ideology and practice. It was precisely Tony Benn's remarkable ability to articulate this understanding that allowed him to represent the disparate forces that composed the new Labour left. Whereas the old Tribune, left tended to see its project as returning the party to its traditions, when the party was allegedly more socialist, the new Bennite left came far closer to defining its goals in terms of wrenching Labour out of its traditions, of breaking definitively with the class harmony orientation that from the inception of the party determined the integrative kind of parliamentarianism and the non-transformative kind of reformism that Labour practised.

It was the very novelty of this challenge, and the fact that it emanated from a far larger group of activists than could be directly associated with 'entryism', that ensured that far more was at stake than a slight alteration in the **distribution** of power in the party. The 'grand peur' induced by the British press with regard to what was happening in the Labour Party, fed and encouraged as it was by much of the old guard, may have been caricature but it was not mirage. The propaganda campaign against the Labour left—Tony Benn became for a period the most vilified man in the media next to the Ayatollah Khomeini—was not undertaken for nothing. Like all effective propaganda it had just enough of a rational kernel of truth to it to make plausible the dire warnings of the imminent victory of the socialist hordes over the old responsible and reasonable Labour leaders.

Perhaps the most superficial and damaging aspect of the new revisionism has been its '**parti pris**' attack on the Labour left as bearing primary responsibility for Thatcher's re-election in **1983**. Whereas the **1979** defeat was portrayed in terms of the direct effect of long-term socio-economic changes on Labour's traditional vote, the **1983** defeat is attributed very largely to the immediate electoral effects of the Labour left's campaign to

change the party. According to Hobsbawrn, the left thought 'a Thatcher government was preferable to a reformist Labour government'.¹⁹ According to many others the left sought a continuation of the old 'orthodox' socialism which, with an astonishing gloss on Labour's actual history, they see as the root of Labour's long-term failure. The misrepresentation this involves, even if one agrees that Labour's divisions were a real factor in the defeat, is familiar enough for those acquainted with the heat generated in splits on the left, but this hardly makes it acceptable. This is not just a matter of insisting that the assault on the old leadership and ways of the party after 1979 were not just a product of the strategy of the Campaign for Labour Party Democracy much less of Militant and even less of Tony Benn all by himself, but were a decade-long outgrowth of the severe crisis of Labourism and the spectacular disappointments which the Wilson and Callaghan Governments represented for so many Labour and trade union activists. Nor is it just a matter of insisting on the genuineness of the belief on the part of these activists that unity around a radical socialist programme (which obviously had to include, if unity was the condition for success, trying to ensure that the parliamentary leadership would subscribe to, campaign for and attempt to implement it) would alone create the popular understanding of the causes and dimensions of the economic crisis and hence renew Labour's credibility so that Thatcher could be defeated next time. Even if the immediate appeal of such a programme was over-optimistically presumed, any adequate reappraisal of the thrust for change and the direction it took after 1979 must surely put it in the context of the proximate failure of Callaghan's tired corporatist, 'give-the-social contract-another-chance' appeal in the 1979 election, the high number of working class abstentions in that election, the poor showing of Thatcher's Government in the opinion polls until the Falklands episode, and the fact that socialist parties won elections in Greece and France in 1981 on the basis of programmes more radical than the Alternative Economic Strategy.

Without denying the severity of reaction that the ideology that became known as Thatcherism represented, or even its ability to galvanise certain popular attitudes, it should at the same time be remembered that even those who first drew attention to the hegemonic potential of Thatcherism, most notably Stuart Hall in 'The Great Moving Right Show', insisted that 'the contradictions within social democracy are the key to the whole rightward shift in the political spectrum'. Hall identified Labour's corporatist practice, which 'requires that the indissoluble link between party and class be used not to advance but to *discipline* the class and the organisations it represents', as lying at the core of these contradictions: 'The rhetoric of "national interest" which is the principal ideological form in which a succession of defeats has been imposed on the working class by social democracy in power, are exactly the sites where this contradiction shows through and is being constantly *reworked*.'²⁰ To accuse the Labour left of

bad political judgment for not taking Thatcherism seriously enough, as Hobsbawm did after the **1983 election**, misses completely the understanding that was shown on the left of the basis for Thatcher's populist anti-corporatist appeal. It misses as well the importance of the Labour left having placed at the centre of its objective not more nationalisation (this was a minor strain after **1979**, when most of the left was quite prepared to live with what had been articulated in the **1973** programme) but the democratisation of the party. The hardly ambiguous manner in which so many socialist intellectuals who have now taken their distance from Benn were earlier prepared to see Benn as their standard bearer had a great deal to do with Benn's own populist arguments for democratisation against a Labourism, which had not only become enmeshed in the state apparatus, but had used parliamentarism as a means of stifling the socialist aspirations that constantly resurfaced in the party.

But even if all this is granted, the truly astonishing aspect of the new revisionist quickie-history of the **1979-83** conflicts in the party is the extent to which it forgets that it takes two to tango. The resistance of the preponderant part of the parliamentary leadership to the constitutional reforms; the fuelling of the press hysteria on these reforms by labelling them as undemocratic on the basis of the most narrow parliamentarist nostrums; the readiness with which not only those MPs who left the party, but so many who stayed used adjectives like ultra, extremist and crazy with abandon—all this can hardly be ignored in assessing the 'suicidal civil war' in the party. Are socialist historians suddenly to cast themselves in the mould of those who understand political instability and conflict in terms of the responsibility that those who challenge the powers-that-be must bear for it?

A proper history of this period in the party obviously cannot be presented here, but perhaps the most critical illustration of the need for a more nuanced assessment of the causes and electoral consequences of the intra-party divisions may be signalled. What becomes especially clear as one reexamines the flow of events in this period is that the primary strategic consideration of the right wing of the Labour Party, the predominant part of which stayed in the party rather than joined the SDP, was not unity but rather the belief that Labour could only win if it could be shown that the left were defeated inside the party before the election. This was particularly seen after Benn's narrow loss to Healey at the **1981** Conference. The 'peace agreement' insisted on and provisionally secured by the Trade Unions for Labour Victory at Bishop's Stortford in January **1982** was followed by a series of initiatives, most notably the drive to expel Militant, in which right wing union leaders like Sid Weighell, Terry Duffy and John Boyd took the lead, and whose inflammatory speeches against the left were echoed by Hattersley, Shore, and Healey in the context of trying to block reselections in the ensuing months. It was Benn who was led to warn in this context at a National Executive Committee meeting in March **1982**:

'The Media will have a field day if we throw people one by one to the lions. I don't think we can gain by it.'²¹ And so they did. For the last year and a half before the election, it was the left in the party that was on the defensive against a right that tenaciously clung to the view that the key to electoral success was to prove that the Bennite, Marxist, Marxist-Leninist, or Trotskyist left (the terms varied, but the scope assigned to them was commonly sweeping) had been marginalised in the party.

It is hardly anything new in the history of the Labour Party that on the basis of immediate electoral calculations it has been the left rather than the right which has tended to assume the burden of party unity. The tide in the party changed not after the disastrous defeat of the **1983** election, but a year and a half before, as not just the revolutionary entryist left but the Labour Co-ordinating Committee and the Campaign for Labour Party Democracy ran up against the most formidable barrier to change in the Labour Party: the need for party unity in order to maintain Labour's immediate electoral utility as a defensive agency for the working class. This is a real need always policed by the unions and one whose primacy was felt all the more urgently as the unions proved increasingly unable to provide, under conditions of mass unemployment, their own defence against Thatcherite reaction of the kind they had been able to mount against Heath's 'Selsdon man' a decade before. The case that unity around a radical socialist programme would alone renew Labour's credibility could not carry enough weight in the party particularly because the leading agents in the drive for defensive unity, that portion of the old Tribune left ranged around Foot, had a very strong base in the party. Their position rested, as always needs be in the case of the Labour Party, on a considerable part of the union leadership, but it also had a degree of appeal to constituency activists of a kind that the right wing of the party could never muster on its own. This determined, moreover, that the shift in the balance of forces in the party after **1981** would outlast the run up to the **1982** election. Tariq Ali and Quintin Hoare's judgment in this respect that 'The Foot/Kinnock recipe of fudging all issues in order to restore the old *status quo ante*' could not achieve longer-term success was severely mistaken: '[The] option, favoured by Foot and the bulk probably of the union leadership, is to strive to restore the Grand Old Party as before. . . It involves fudging over unwelcome conference policies and minimising the practical effect of recent constitutional changes, rather than defeating them as the right would like. . . At bottom, this option is a short term one, unlikely to survive either Foot himself or the next general election.'²²

The strength of the Foot-Healey/Kinnock-Hattersley alliance, wherein the paramount concern for defensive unity is conjoined to the tenacious belief that the key to electoral success lies in marginalising the left, has very great implications, moreover, for the 'popular front' strategy advanced by the new revisionism. The impression is sometimes given that this

strategy primarily entails the forging of alliances with the new social movements, articulating the demands of women, blacks and the peace movement to Labour's working class base in a hegemonic socialist project. Yet however attractive this may sound in abstract terms, this is not the substantive element of the strategy actually being advanced, the key component of which entails ensuring that the old Gaitskellite right, with its enormous presence and respectability in the media, adheres to a broad anti-Thatcherite front centred around the Labour Party. This is not in the first instance a matter of entering into an electoral or parliamentary coalition with the Alliance (as, for instance, Hobsbawm's detractors have been too quick to insist) nearly as much as guaranteeing that the hazy compromises struck in the Foot-Healey era, which involved limiting the electoral damages done by the SDP split and preventing further defections by the Labour right, are fully stabilised in the Kinnock-Hattersley era. What the alliance with the parliamentary right means, however, is that the very attempt to restructure the party so that it might become a central site and vehicle for struggles by women and blacks as well as rank and file workers must be effectively constrained. The persistent refusal of the leadership and their trade union allies to proposals to give the Women's Conference effective powers in the party even if only to elect directly the women's representatives on the NEC (notably supported by the NUM alone at the 1984 Conference), their opposition to Black Sections, their inaction on the establishment of work-place branches (passed by the 1981 Conference)—all this tells us a great deal about the true nature of the alliances being **(re)constructed** in the Labour Party.

The critical factor that must be recognised is that the popular front strategy, as was so often the case with popular fronts in the past, has far less to do with the activation at the base than with alliances at the top among parliamentary and union elites, with the centre of gravity necessarily resting with those **elites** closest to the centre of the political spectrum whose adherence to an anti-Thatcher coalition is the central condition of success for the whole strategy. The main issue is not the question of the viability of popular fronts in the past, although it is tempting to point out as against the gloss that Hobsbawm puts on them that the parallel with the 1930s and the War is, to say the least, strained; that the fact that it was the Labour centre and right that rejected the popular front in the 1930s (to the point of expulsions of those on the left of the party who advanced it) goes strangely unmentioned; and that Hobsbawm astonishingly asserts that it was the popular front strategy that 'produced ten new states setting out to construct socialism' without mentioning the role of the Red Army in Eastern Europe or the readiness with which Communists were dropped from post-war governments in Western Europe when it suited their erstwhile partners. But the main issue is the here and now, and in this respect the real choices are not between an abstract 'broad

alliance' line and an equally abstract 'class against class' line. What is on offer, what is available in the 'defensive unity' model Labour Party is a parliamentarist alliance under the hegemony of a party leadership whose centrist political strategy precisely embodies Bernard Crick's disarmingly honest prescription that 'however inadequate and over-empirical the old Butskellism was, we have to win the country back to that middle ground before we can move forward from it'.²³ Unfortunately, that very practice, as we have seen, precludes moving forward.

V. THEORISTS OF THE NEW SOCIAL CONTRACT

The widespread shift in opinion among socialist intellectuals towards a less 'orthodox' and more 'realistic' approach has been remarkable for its virtually exclusive concern with the tactical considerations involved in the formation of 'broad alliances' and for its relative silence and vagueness on programmatic questions. To Raymond Williams' charge that the anti-Thatcher 'coalitionists' appear basically content with reviving old Butskellite policies which are inadequate 'for any **sustained** recovery or advance', Hobsbawm has replied that the question of developing policies that go beyond 'trying to make the best of a bad job and give capitalism "a human face"' by trying to 'envisage a British socialism' is indeed a crucial one. But he consistently sets aside any further discussion of this for the prior tactical one of re-electing a Labour Government. However, a few others (all too few) who share the view that the failures of socialist politics have mainly to do with the narrow class-centredness of its practice in the face of a changing class structure, have attempted to address the difficult issues involved with the development of programmatic alternatives that would complement the 'realism' involved in the 'broad alliance' position. As Mike Prior and Dave Purdy argued in 1979: 'It cannot be too strongly emphasised that the politics of hegemony are not to be equated with the winning of allies, whether socially in terms of the broad democratic alliance, or politically in terms of an alliance of political parties. What must underpin any such alliance and is the only safeguard against the degeneration of hegemonic politics into **backroom** deals and electoral manoeuvres, is a firm commitment to the **policies** of hegemony and the transformation of social **practice**.'²⁴

Far less ink has been spilled on this since 1979 than on tactical questions, but as we shall see what has emerged in policy terms from this perspective evinces a clear tendency to return to slightly amended versions of those very reforms that were thrown up in the 1970s and failed to generate those crucial ingredients which would make them viable—the cooperation of the bourgeoisie and the commitment of the Labour leadership to them. Moreover, it is one of the paradoxical aspects of these programmatic discussions that, although they insist that the working class can no longer occupy the exclusive or central place in socialist strategy,

they nevertheless concentrate their attention very largely on developing policies for the participation of organised labour in national economic and enterprise-level decision making. A cynical explanation of this would be that, having abandoned the perspective that organised labour can be the fount of a socialist 'solution', they have come to the view that the trade unions are the central 'problem'. Yet it would appear that this is in fact a reflection of the fundamental ambiguity of the new revisionism in its attitude to the working class. Its hostility to trade union militancy and its insistence on the decline of the working class, is uncomfortably conjoined with an appreciation (even an exaggeration) of the salience of organised labour in the economy, and of its potential power as an agency for extending economic and industrial democracy.

This ambiguity is most clearly seen in the **proposals** that have re-emerged on the left for the development of a new social contract as the programmatic centrepiece of socialist strategy. In the view of Dave Purdy, Paul Hirst, Gavin Kitching, and Geoff Hodgson, among others, the traditional trade **union** obsession with economic wage demands and their defence of unfettered collective bargaining has been reinforced by a romantic and pseudo-revolutionary perspective among socialists which condemns outright any involvement by the unions in the management of the capitalist economy, denies any responsibility for unions in causing—or solving—economic crises, and naively views the defeat of incomes policies by a militant wages struggle as a political as well as economic victory which presages a decisive confrontation. Although such a sweeping critique is a patent caricature both of past union behaviour and of the socialist opposition to incomes policies, it must nevertheless be said that many elements of their argument do contain important insights, even if these are not nearly as heretical nor as novel on the left as they insistently claim they are. Kitching, for instance, goes to the heart of the matter when he argues that: "The tragedy of the British working class in fact is that it is neither radical enough nor self-confident enough to wish to change the system, yet it is too well-organised and economically militant to allow it to function "**properly**".²⁵ The argument that he, like all the other advocates of incomes policy, makes to the effect that consistently high wage demands cannot be accommodated within an internationally competitive capitalist system without corresponding increases in productivity and profits is utterly conventional, but that in itself does not make it wrong, as Glyn and Sutcliffe among many others have insisted for a long time. Nor is Paul Hirst wrong, in making his case for 'national income planning', to insist on the importance in electoral as well as economic terms of overcoming the irrationalities of the wages structure: "To see a minority enjoying a constant or increasing standard of living whilst one's own is declining or stagnant, and simply because of the accident of the trade, firm or place where they work will be generally unacceptable. . .

Pensioners, the unemployed, recipients of social security have votes too. Unless the Labour Party can provide a credible alternative to either a wage freeze or a "free-for-some", it could well find itself excluded from power.²⁶ The well-worn insistence that collective bargaining is not in itself socialist, and that the planning of incomes has to be a feature of any socialist economic programme, may by now be tiresome, given how often it has been used by conventional Labour politicians to justify their equally conventional wage restraint policies, but again it is not wrong as cast in such general terms. All one can say is that it calls to mind once more the point made by Hobsbawm himself a long time ago, i.e. that 'it is quite easy to justify a moderate policy in socialist as it is in liberal or conservative phrases: the former may be even more effective'. Or, as he put it more recently, 'that what most Labour leaders have meant by "socialism" is rather different from what is in the minds of socialists'.²⁷

Thus the fact that the advocacy of a social contract by socialist intellectuals provides a verbal meeting ground with those elements of the Labour leadership, such as Hattersley and Shore, for whom striking a wage restraint agreement with the union leadership along traditional Keynesian lines remained as much their central strategic concern through the early 1980s as it had been for Wilson, Brown, and Callaghan in the early 1960s and 1970s, does not invalidate such advocacy itself. The real question is whether this socialist advocacy provides different and better grounds for accepting the claim by both groups that the social contract they have in mind this time will indeed be different from what went before and was such an important element in producing the popular confusion, discord and disillusionment that led to Thatcherism.

The argument for why it is essential to premise a socialist strategy around a social contract rests on the view that it alone provides the opening within capitalism for a series of compromises between capital and labour that will both meet capital's needs for wage restraint and labour market flexibility and at the same time lay the grounds for a major extension of control by workers and their representatives over economic decision-making at the national and enterprise levels. Kitching has posed the issue most clearly and deserves to be quoted at length:

. . . the central issue of economic policy in all advanced capitalist societies today is that of wage regulation—the need to keep wage rises broadly in line with productivity increases in order to ensure sustained growth without inflation. Monetarism is the capitalist class's response to the conviction that wage restraint cannot be attained 'voluntarily' under conditions of full employment. Yet it is also clear that wage restraint cannot be maintained with a highly unionized and compartmentalized labour market without a continuing level of mass unemployment that would threaten the very stability of capitalism, or at least would require the drastic abridgement or even the ending of democratic freedoms.

It is quite likely therefore that after the monetarist experiment, advanced capitalist societies will return to Keynesian demand management and 'pump-

priming' for one more, and perhaps final experiment with more 'moderate' solutions. In doing so, they will once again confront the necessity of winning mass working-class compliance with wage restraint, and various forms of 'social contract' will be born again. . .

In short, capitalism in Britain may not need a 'responsible' and self-disciplined working class in order to survive. In the end, dictatorial solutions are always a possibility. But it is conceivable that capitalism in conjunction with parliamentary democracy needs such a class in order to survive. We may therefore see, in the not-too-distant-future, a crucial historical moment in which the British working class has an opportunity to extract major, indeed transforming, changes in the capitalist system in return for its cooperation.³⁸

What Kitching proposes is that the unions seize this opportunity with both hands upon the ascension of a Labour or Labour/SDP government which he correctly discerns 'will want, sooner or later, to negotiate a "wages policy" (i.e. wage restraint) with the unions'. Instead of pushing for improved wages and conditions in the forlorn hope that capitalism's limitations in this respect will somehow radicalise workers, they should 'quite consciously offer whole-hearted cooperation to capitalism but demand in return for such cooperation concessions which aim quite consciously to change the fundamental nature of capitalism'. What he has in mind is that the unions go far beyond the usual price and dividend control and macro-economic policy demands on the social wage and unemployment, and undertake a radical 'pre-emptive unionism' by which long-term wage restraint bargains and redundancy agreements are exchanged for very precise demands, industry by industry, on 'investment policy, marketing, health and safety conditions, manning levels, retraining, an 'open books' policy'. This would entail developing within individual unions an extensive research and planning capacity (his model being the Lucas Aerospace Shop Stewards Combine and its alternative corporate plan in the 1970s), with union initiatives for joint management of enterprises being framed in overtly 'co-operative' and 'reasonable' terms 'for the good of the industry as a whole'. In this way management resistance can be portrayed as unreasonable and authoritarian and tactical ideological advantage can be gained by unions in management/labour relations. 'The essence of the matter is really very simple. If the British working class is to sell itself to capitalism, it must sell itself in a planned, thought-out and expensive fashion; in a fashion which, as its conditions are met, explores the limits of the concessions which capitalism can make without changing its fundamental nature.'³⁹

A similar position is taken by Paul Hirst. Discerning that previous incomes policies have been rendered unstable by virtue of their effect on pay differentials that workers have struggled to maintain rather than their inequity in terms of the lack of equivalent controls on prices and high incomes, he argues that a 'socialist-egalitarian' incomes policy should explicitly seek to close differentials among workers (by erasing them

'upwards') while offsetting workers discontent over their loss of relative status and benefits through 'a strategy of progressive increase in workers' control'. To this end he proposes linking incomes policy to the implementation of the Bullock Inquiry recommendations, so that unions can extend collective bargaining to include questions of enterprise policy and operation. Since management will not strike such bargains unless they limit the scope of trade union struggle, this will mean that the bargains will have to 'limit the right to strike, involve the reorganisation of jobs, etc. . . [and] commit the organised workers to the enterprise in a way that limited wage negotiations never did'. But extending the scope of bargaining would mean that 'the unions recognise that changed economic conditions and their own strength necessitate and make possible. . . new forms and methods of struggle' through Joint Representation Committees, company board representation and the development of management and economic policy knowledge and skills at the enterprise level among union personnel. Legislation by a Labour government along the lines of Bullock could serve as a catalyst for unions to enter this process as well as a means of compelling management to accept it. 'Bullock and incomes policy together represent a great lost opportunity for the trade unions and the Labour Party. It is a failure of political thinking which will have to be overcome if democratic socialism is to succeed in its objectives.'³⁰

As Hirst acknowledges, this approach is very similar to that taken up by the Eurocommunist wing of the British Communist party in the late 1970s at the time when Hobsbawm first enunciated his analysis of the crisis of British working class politics. Although Hobsbawm was then—and has remained throughout the ensuing debate—remarkably vague with regard to programme or even policy, Mike Prior and Dave Purdy published at the same time a strong defence of the principle of the social contract ('as distinct from the Labour Government's current degenerated pay policy'). The novel element in the social contract they claimed, was that it embodied the notion, that 'the trade unions should not accept or be expected to accept responsibility for the performance of the economy without a corresponding extension of power to influence national policy':

This quid pro quo principle presents a major opportunity for subverting capitalism by linking the issues of pay and inflation with those structural issues—the volume, pace and composition of investment, the pattern of production and consumption, the scale, direction and composition of foreign trade, the character and consequences of technical innovation—which under capitalism are determined anarchically as the outcome of private action and decision beyond the scope of social control. Correctly used a social contract becomes an instrument for the assertion of a coherent working class strategy for the national economy. It offers a lever for shifting the terms of public debate and welding together a progressive social and political alliance.'³¹

What are we to make of this programmatic alternative, which does indeed

appear to be the one that will inform—at least in terms of the face it presents to the Labour Party—a Kinnock/Hattersley-led strategy for the next election? It must be said, first of all, that it is not quite as novel in many respects as its various authors claim. For the first two or three years of the 1945 Labour Government, it was the left in the Labour movement, and especially in the unions, which insisted on the importance of a wages policy, manpower planning and the democratisation of the administration of the newly nationalised industries as part of a strategy for transforming war-time planning into socialist planning. In the late 1950s and early 1960s a group of socialist intellectuals on the Labour left—Royden Harrison, Michael Barratt Brown, Ken Alexander and John Hughes—issued a series of pamphlets which presented a sustained argument for a wages policy as part of a socialist strategy for the Labour Party along very much the same lines as is being heard today. Nor is it the case that the unions did not try to make their support for the wage restraint they have undertaken for every Labour Government in the post-war era conditional upon 'a corresponding extension of power to influence national policy'. Even if all too few of them were as clear as Frank Cousins in insisting that fundamental change from what he called the 'trade union function' in the existing system was conditional on a Labour government actually trying to 'change the system', it should be recalled that the 1964 TUC's support for an incomes policy was not only made conditional on 'the planned growth of wages' as opposed to conventional wage restraint, but on 'the extension of public ownership based on popular control on a democratic basis at all levels'. It is certainly true that the unions' conditions for participation in the social contract a decade later were set out, under the influence of Jack Jones, much less vaguely and with less bombast and more detail than conference speeches and resolutions promote, particularly in terms of going beyond demands for Keynesian reflation and formal price and dividend controls to insist on the planning agreements, the closing of wage differentials and the industrial democracy proposals (that directly led to the Bullock Inquiry), all of which came to compose the social contract. The fact that the unions practised wage restraint under every Labour Government before these conditions were achieved and despite their not being achieved, may indeed say something about their priorities. But if so, it has as much, if not more, to do with the importance they have attached to the tactical considerations of getting and keeping a Labour government in office as with any unbending obsession with untrammelled wage bargaining.³²

Just as those who are concerned primarily with such 'realistic' tactical considerations fail to grant sufficient weight to the historical role of the Labour Party in trying to understand and compensate for the decline of working class political identity, so those who concentrate on programmatic reform fail to appreciate the extent to which Labour's previous practice

underlies, *especially among left-wing union leaders and activists*, the opposition to incomes policy today. The tendency to read this opposition off, in a quite reductionist and direct manner, from a natural or at any rate traditional trade union economism or a knee-jerk pseudo-revolutionary leftism, is all too easy, and belittles the actual political experience of participation of incomes policy at the national level (or Joint Representation Committees and their ilk at the industrial level). There can be no question that a socialist party that actually tries to undertake a radical programme involving a significant diminution of the power and privileges of capital would have to depend on, and be either dishonest or naive if it did not demand and prepare for, some considerable material sacrifice and extensive change in the heretofore established adversarial industrial practices of its working class base. No serious socialist could argue against this, or fail to take this into her or his strategic concerns. There is far less originality about this insight, even on the British left, than our new socialist social contract theorists flatter themselves with. And there is at least some basis for thinking, especially regarding the 1945 period but also more recently, that had a Labour Government actually set out on this path, they could have counted on a considerable body of support in the trade unions. To put the onus on the unions for failing to realise what socialist potential existed in the social contract is perverse. As we have seen it was the danger that the unions in the mid-1970s were pushing Labour into too radical directions, *especially around Bullock* (and at a time when the wage restraint under the social contract had not yet broken down) that drove industrialists to identify their interests with Thatcherism.

What promise this gives for the future accommodation of British industrialists, even after the experience of Thatcherism, to a strategy which involves going beyond corporatist macroeconomic management to challenge their very control of their firms and the disposition of their capital by their own workers is unfortunately slight. It is not improbable that in the face of the experience of mass unemployment, the defeats that have been suffered, and the tenacity of the new right, that the unions might be prepared to yet again go quite far in practising wage restraint under a Labour government. Even if pre-election commitments remain characteristically vague, such cooperation would be enhanced especially if the government is in a minority situation, and the restraint may find no little compliance from an insecure and demoralised rank and file. In such a situation, it is even possible that capital will cooperate in a Keynesian reflationary policy again, although how far this can remedy the British economy's deep structural uncompetitiveness remains as dubious as ever. *If* the passivity of workers is great enough, something along the lines of the quality control circles and Quality of Working Life participatory schemes so widely being applied in American industry might find further acceptance and even encouragement in British industry. And if Labour's

'controls' over investment are vague and flexible enough, they too might find a cooperative response. But all this falls very far short of the kind of challenges to capital's managerial and investment prerogatives as our new realists propose. To imagine that wage restraint and plant level flexibility **will** forestall a major confrontation with capital in the face of **such** challenges, or that a Kinnock-Hattersley Labour government will risk them, is to stretch credulity to new limits.

The foreign examples which are so superficially adduced (Australia is a new vogue; Sweden and Austria remain mainstays, despite the latter's extremely centralist and top-down union structure) offer no evidence whatever for capital's preparedness to countenance co-operation in such a strategy. Indeed as we have seen it has been capital which has withdrawn its cooperation from long established corporatist wage bargaining in the face of such challenges. In so far as such countries have managed to maintain lower levels of unemployment their corporatist arrangements bear looking at seriously, although to what extent it is the strength of the labour movement in such arrangements as opposed to other factors that are at work here (Japan and the United States also have low levels of unemployment relative to Britain after all) needs to be examined seriously as well. In any case, one might wish for rather more of the kind of **candour** that one gets, for instance, from **Goran** Therborn when he recommends Swedish or Austrian policy to the British left. Therborn points out that not only the Eurocommunist and Latin socialist strategies for a move to the left did not bear fruit, but also that Scandinavian '**left-wing** social democracy never materialised—a bitter lesson which Swedish social democrats. . . are learning **now**'.³³ He therefore admits that the policy pursued by the Swedish and Austrian governments 'is not a socialist one, and my socialist comrades may ask where socialism comes into all this if at **all**'.³⁴ His answer that socialism is not an overnight achievement but a long complex historical process and that full employment is necessary for further advances is a serious one if it can be shown that the conditions are now being put in place for the ascendancy of left-wing social democrats in the Swedish or Austrian labour movements rather than foreclosed as they were in the previous era of corporatist full employment. But in any case his tone is remarkably sanguine in comparison with the promise of the 'transformative' and 'subversive' phraseology of Britain's new social contract advocates (not least those British Eurocommunists who, having been inspired in the late 1970s by the Italian Communist Party's own version of the social contract at the time of its abortive alliance with the Christian Democratic Government, are strangely silent regarding its failure and the reasons for the subsequent abandonment of this approach by the PCI).

In fact, there is a marked ambiguity in the radical twist given to the social contract today. Hirst speaks in terms of a radical change in Britain's

entire wage and salary structure yet he does not concern himself with whether and to what extent this is compatible with the continuing existence of a capitalist labour market. And is the closing of differentials 'upward' compatible with the increasing exposure of domestic labour markets to low foreign wage rates in an era of massive changes in the international division of labour brought about by competitive restructuring of industry in the crisis? Kitching, it may have been noted above, speaks on one page of aiming 'quite consciously to change the fundamental nature of capitalism' in exchange for the extensive cooperation he wants workers to give to capital, and on another page of 'exploring the limits of the concessions capitalism can make without changing its fundamental nature'. A similar ambiguity is seen in the 'realistic strategy' advanced by Geoff Hodgson, who does not explicitly advocate an incomes policy at the national level, but promotes extensive workers' participation within the capitalist enterprise as opposed to 'free collective bargaining' very much along the lines of Kitching and Hirst. Hodgson's case is based on the argument that workers' participation will raise productivity and thus be beneficial to both capital and labour, and that participation within the capitalist firm will presage and lay the ground for mobilisation around a 'wider and more egalitarian transformation of society as a whole' on the grounds that there always is 'room for manoeuvre under capitalism'. But Hodgson does not ask what the limits to this room for manoeuvre are today in Britain and what costs to the autonomy of working class organisation are entailed in the reforms he advances.³⁵

The failure to ask these questions is the hallmark of social democratic discourse and it is no less present in the gradualist parliamentary democracy plus workers participation in the enterprise strategy than it is in the exclusively parliamentarist strategy itself. What if capitalists do not agree to more than minority representation in management or company boards, or to workers' representatives being solely accountable to those who elected them and subject to recall (which Hodgson suggests, almost in passing, are the conditions that will prevent loss of autonomy and co-optation)? Will participation still be promoted on a weaker basis and will such participation 'within the capitalism of the present' still prefigure 'the participatory socialist society of the future? Rosa Luxemburg's litmus test of dead-end parliamentarism, which is not to oppose participation but to ask whether it fosters illusions, is by no means inapposite here as well. The new realists have no more managed to square the circle of how to transform capitalism while cooperating fully with it than did traditional social democracy.

All this must reintroduce the old thorny question of for how long the issue of the socialisation of the means of production can really be put off in any serious socialist strategy. There are no easy answers, to be sure. Hodgson criticises 'orthodox socialist thinking' for insisting that an

extension of public ownership must be the first step before any extension of participation in enterprise management and he quotes Wainwright and Elliot's study of the Lucas plan to the effect that 'the extent to which public ownership is an advance towards fuller socialism depends on the extent to which workers create a changed relationship between themselves and management in the course of achieving public ownership'. The point is well taken although it would again appear to be a more relevant criticism of the Morrisonian form of public ownership than of 'orthodox socialist thinking'. It is indeed remarkable that Hodgson fails to point out that this quotation from the Lucas study emerges in the explicit context of a critique of the 'traditional Labourist formula' and of a discussion of what a socialist government would have to do to make the implementation of workers plans possible, the *first steps* in their view being 'the imposition of exchange controls, the nationalisation of the banks and legislation for trade union control over pension funds. In addition a socialist government would back workers bargaining over proposals based on these plans, with financial and other sanctions on the companies concerned. Where this met determined resistance, a socialist government would need to be prepared to socialise the company and/or industry under workers' control'.

This inevitably brings us back to the nature of the Labour Party and the meaning of the failure of the Bennite left to change it. Without this, the reissued calls for incomes policy and workers participation must represent nothing really new. In an important article in 1981, Dave Purdy soberly examined the experience of Labour's 1974-8 Social Contract and argued that, apart from the 'cloud of haziness' which hung over the Government's economic policy targets and its vulnerability to external events and pressures, its failure could be traced to the Government's dependence on 'the active collaboration, or at least the tacit consent of private industrial and finance capital. The outcome of this dependent relationship is not automatically predetermined in favour of private capital. Nevertheless, it does set limits both to what any government can promise and on the extent to which it can deliver on its promises. . . there is no way in which private capitalist enterprises can be forced to invest against their better judgment. Governments can persuade, cajole, create a favourable climate, provide incentives and exert pressure. But they cannot compel unless they acquire the legal rights of disposition over privately owned assets; that is, requisition or nationalise them'.³⁷

In light of this, Purdy endorsed the 'standard left response to these difficulties. . . {which] envisages a radical and comparatively rapid shift in the underlying balance between public and private economic power' encompassing an extension of the powers and scope of the NEB, compulsory planning agreements, controls over private banking, extensive restrictions on international flows of capital, while insisting that it is inconsistent for the left to demand all this and defend free collective

bargaining. But the relevant point here is that the left that counted for something in the Labour Party and the unions did accept, for all practical purposes, wage restraint from **1975-1978** and even its obvious tacit inclusion in the framing of the social contract before the **1974** elections, while pushing for the very policies that Purdy agrees were essential to overcome the Labour Government's 'haziness' of purpose and capital's power. And what would have happened, we may ask, if the unions had acted upon Jack Jones' warning that Benn's dismissal from the Department of Industry (precisely for insisting on these policies) would be 'a grave affront to the union movement' rather than accepting wage restraint as they did on the traditional basis? Would not the unions have then been subject to the 'realistic left's' attack for endangering a Labour Government's survival, just as Benn was by his Cabinet 'colleagues' for insisting on policies that they, just as much as their Liberal parliamentary partners, saw as 'unrealistic' and 'dogmatic'?³⁸

It was not Benn and the Labour left that were unrealistic, but those who clung to what Prior and Purdy themselves discerned in **1979** as the 'glaring and unresolved defect of the Labour Party. . . its inability to develop a strategy for socialism based on anything other than the equation between power and electoral success'. At this time they explicitly associated their strategy with 'the attempt, spearheaded by Benn, to develop a realistic alternative economic policy and to build popular involvement into the process of Government policy making around the themes of industrial democracy and planning agreements'.³⁹ The fact that so many socialist intellectuals have abandoned Benn today, indeed their denigration of him, appears to have much less to do with a change in Benn than in their own recognition of, and their accommodation to, the all too real logic of the equation between power and electoral success, even if it has little to do with socialism rather than minimal and temporary defence of the working class against the current reaction.

The truly innovative aspect about Tony Benn's personal development as a leading figure in the Labour Party lay in his realisation that a realistic long-term hegemonic strategy of the kind Purdy applauds can only be undertaken by a party that is unified around, and whose leadership is committed to, the social ownership of the means of production, distribution and exchange. This requires a party prepared to see through the confrontation with capital that this will inevitably involve when immediate reforms and the building of popular understanding of the value and necessity for socialism combine to make such a confrontation a viable possibility. If Benn and those who supported him as the representative of this strategy were wrong or naive or unrealistic, it was in their underestimation of two things. The first, which we have already discussed, was not only how deeply hostile but how deeply entrenched were those in the party who opposed such a hegemonic strategy in favour of the old equation between power and

electoral success. Given this the constitutional reforms were not only bound to be inadequate but to be politically suicidal for Benn and the left as the immediate electoral costs of the conflict necessary to unify the party on a new basis became apparent. The second was the very deep incredulity among the British people that socialism could really be democratic and that those who proclaimed a determined belief in the need for socialism could really be democrats. This incredulity that was the fount of the success that those inside the party and out eventually achieved in defeating and marginalising the challenge and opportunity that 'Bennism' represented from its rise in 1971 to its eclipse in 1981. It is to this question of how to make a democratic socialist vision credible that we now need to turn.

VI. DOES MARKET SOCIALISM HELP?

To say that the new revisionists have failed to transcend the very limits of that social democratic practice which has in good part been constitutive of the impasse itself, does not at all mean that they have themselves abandoned a commitment to socialism. On the contrary, their concern with 'rethinking socialism' has at least as much to do with the need to reconceptualise and reformulate a vision of a future socialist society so as to rid it of the centralist and authoritarian connotations as it does with their immediate tactical or programmatic concern to reelect a Labour Government. To insist that this was also Benn's concern as well as that of many Marxists who are now relegated to the orthodox, 'class-reductionist' camp by the new revisionism, does not change the point except in so far as it should serve as a reminder that the debate over strategy should not be allowed to obscure what common ground continues to exist. Yet general agreement that socialism must involve some form of workers participation or control in the socialist enterprise or an even more vague consensus that any socialism worth its name must be democratic, has not carried socialists very far in overcoming the popular incredulity that socialism and democracy are really compatible.

In this regard, the really novel element that has been brought into the debate among socialists in the West in the 1980s has not been workers' participation but rather the idea of 'market socialism'. Although the question of market socialism has for some two decades been central to the intellectual agenda regarding actually-existing socialism, its extension to debates over socialist strategy in the West remained very much marginal. The impact of Nove's *The Economics of Feasible Socialism* has been such, however, as to have added an important dimension to the new revisionism. Although it is by no means yet clear to what extent its critique of Marxism and its perspective on the shape of a socialist economy is shared by all of those we have discussed above, Nove's concern to demonstrate that a socialist market is necessary for pluralism as well as efficiency is obviously intimately bound up with the common attempt to find a way out of the

impasse of working class politics in the West. And other less celebrated interventions, such as Hodgson's *The Democratic Economy*, have certainly made the connection even more explicit than Nove himself.

This is hardly the place, towards the end of what is already a very long essay, to undertake a full discussion of the case for market socialism. I raise it at this point only to ask whether the projection of the retrieval of the market does indeed help to establish the conditions for a democratic socialism and enhance its desirability and credibility. There are some, of course, who insist that a market socialism is no socialism at all. I would prefer to remain, at least for the sake of this discussion, agnostic on this question. Nove's model, after all, does envision the social ownership of all the major means of production and designates as state corporations, subject to central **planning** and administration, not only banks and other credit institutions but also all those sectors which operate in large, inter-related units or have a monopoly position. Even with regard to the **socialised** enterprises which would have 'full autonomy' as well as co-operatives and small-scale private enterprises (which would exist only 'subject to clearly defined limits'), central planning would have 'the vital task of setting the ground-rules for the autonomous and free sectors, with reserve powers of intervention when things got out of balance, or socially undesirable developments were seen to occur'. Major investments and the share of GNP going to investment would be also centrally determined: this is no 'unplanned economy' obviously. Nove makes it clear that he expects that most final and intermediate goods and services will be bought and sold, but in so far as he explicitly designates that the management of the autonomous enterprises will be responsible to the workforce and establishes that a broader 'democratic vote could decide the boundary between the commercial or market sectors and those where goods and services could be provided free', this seems to put effective restrictions on the extent to which this 'market socialism' would be market **determined**, even if it could be said to be '**commodified**'.⁴⁰

It would therefore seem churlish to dismiss Nove's market socialism out of hand. The same applies to Hodgson who is less clear but also insists that 'the planning system dominates the system as a whole'. This must temper one's view, even if it does not Hodgson's own, when he claims that in his advocacy of market socialism he is 'uttering heresy'. Indeed, one might wish that Hodgson was himself rather less ready to smoke out heresies as he is when he astonishingly cites Tony Benn's occasional use of the term 'market economy' ('the incompatibility of a strong political democracy with a market economy'; 'the market economy upon which British capitalism still relies for its motive force') as proof that Benn's '*bête noire* is markets *per se*, rather than capitalist hierarchy in industry, private ownership of the means of production, or the other integral features of a capitalistic economic **system**'.⁴¹ Even the most determined exponents of **demo-**

cratic pluralism, it would appear, are not above a bit of witch hunting.

The question remains: to what extent does the market socialist model actually help resolve the socialism and democracy dilemma and aid us in the process of actually arriving at a democratic socialism? And here it must unfortunately be said that the answer is not very much. The transposition of the Eastern European advocacy of markets into a general model may be mystifying if the specific economic conditions and social forces involved are ignored. The interest of managers in securing discipline over a workforce whose only power in the system rests on their ability to resist managerial authority by virtue of their job security cannot be left out of consideration; nor can the interest of the ruling party in these systems in having freedom defined in terms of market freedom rather than actual political pluralism. Hodgson's own quotation from Brus regarding Eastern European reforms is relevant here: 'It is not "depoliticisation of the economy" but the "democratisation of politics" that is the correct direction for the process of socialisation of nationalised means of production. . . the problem of socialisation turns into the question of the democratic evolution of the state, of the political system'.⁴² Unfortunately, Hodgson does not seem to grasp the extent to which this represents a criticism of the turn to markets in some actually-existing socialist states as a means of solving their problems as well as a statement on the necessity of not suppressing the question of the social ownership of the means of production in discussions of democracy as we have seen Hodgson is wont to do in his 'workers participation within capitalism' strategy.

Unfortunately, Nove offers even less in his own brief treatment of how a transition to his market socialism might be effected in the West. Apart from the obligatory sweeping denunciations of the 'extreme-left' and a critique of import and exchange controls and traditional nationalisation as a recipe for driving the centre into the arms of the right, which occupy most of his discussion, his own proposals are remarkably slight. 'The biggest obstacle of all' to 'a gradual shift in economic power away from big business' are 'trade unions pursuing the narrow sectional interests of their members'. But while he advocates limits on wage increases, he is at the same time opposed to price controls, import restrictions and material allocation. He advocates a new approach to nationalisation, whereby the nationalised firms would operate on 'normal commercial criteria' where competitive conditions exist, and where specific firms rather than whole industries are removed from the private sector. Industrial and service co-operatives would also be encouraged in so far as they also operated in a competitive environment. Both nationalised industries and private corporations would have to introduce 'elements of workers' participation into the management structures', a turn of phrase he apparently considers less vague than the 'totally undefined workers' control' he attacks the 'Marxist utopians' for advocating, since he provides absolutely no further

elaboration of what this means except that to say there is much to be learned from West German *Mitbestimmung*.

In light of much careful argument and scholarship in the rest of the book, one cannot but be appalled at the slightness of Nove's chapter on the transition. West German capital's trenchant opposition to the extension of *Mitbestimmung* receive no mention. The Scandinavian trade unions wages policies are adduced as proof that the regulation of incomes is a precondition for non-inflationary full employment without continuous conflict but no note is taken of the Swedish general strike of 1980, or the employers' dismantling of the centralised bargaining on which the system rested, not to mention the previous instability that led to the wage earners fund proposals as a gradual means of socialising capital and the capitalist opposition that determined their subsequent sorry fate. Whatever this Social Democratic-sounding bombast, which goes far beyond the social contract exponents we examined above in its acceptance of existing economic arrangements within capitalism, has to do with Nove's model of socialism is by no means clear—until, that is, he concludes his discussion of what he for some reason calls the 'Transition from Capitalism to Socialism' with the following: 'Of course, all this would imply a mixed economy, with the stresses and strains that inevitably accompany it. **But stresses and strains we have already!**⁴³ *And so we do have a mixed economy!*

It would seem as though the existence of a market in the Western capitalist countries makes irrelevant for Nove the need for a serious discussion of how a social democratic reform programme would lead on to anything like Nove's model of socialism and of why the bourgeoisie would come to acquiesce in the social ownership and control of the means of production even if its political administration were conceived as democratic and its economic dynamic as competitive. What is even worse, the connection posited between markets and pluralism seems to render irrelevant any discussion of the actual political institutions that would compose a democratic socialist state. The importance of the Brus quotation above and of Perry Anderson's comment on Nove's work, that 'only a *Politics of Feasible Socialism* could rescue it from the realm of utopian thought it seeks to escape', speaks precisely to this failure of the market socialists to cope with the socialism and democracy dilemma in a serious fashion.⁴⁴

VII. TOWARDS SOCIALIST RECONSTRUCTION

We come, finally, to the real issue posed by how to make socialist advance possible in face of the impasse of working class politics today. If there is a really awesome gap in Marxism and a true need for revision, it is in its treatment of the state under socialism. Marx's three main concepts in this respect—the dictatorship of the proletariat, the smashing of the bourgeois

state, the withering away of the state—all cover over the dilemmas involved in constructing a democratic socialist state rather than clarify them. The first conflates the notion of making the working class the dominant class (in the sense that the bourgeoisie is the dominant class in capitalist society) with the question of the limits that are imposed on democratic freedoms by a revolutionary confrontation and consolidation of power against the reactionary forces. The second has a destructive and negative connotation which conceals positive institution building of the kind envisaged by Marx on the basis of the experience of the Paris Commune, involving multi-tiered forms of representation, provision for the recall of representatives, elected officials, etc., and it discourages contemplation of the complex issues involved in the multiple sovereignties implied by this. The third seems to deny the very importance of the issue itself since the 'state' is apparently a passing socialist phenomenon anyway, even though in his dispute with Bakunin, Marx made it very clear that he saw some form of extensive public authority as necessary even in communist society (how could it be otherwise, even if this public authority is not conceived as imposed upon society, if people are to collectively determine their fate?).⁴⁵

I have argued that a plan for achieving social control of the means of production and for building the mass popular support which will make such an achievement possible cannot be avoided if we are at all serious about a transition from capitalism to socialism. But such public support cannot be built if the limits of capitalist democracy cannot be demonstrated and if the difficult questions about the nature and form of democratic political institutions under socialism cannot be worked through. The terrible irony of the return in the 1980s to a widespread concern among 'realistic' socialists with the immediacy of the question of power is that it has embroiled itself in a beside-the-point attack on vulgar Marxism while ignoring and even caricaturing the enormous contributions that were set in motion in the 1970s by the developments in Marxist writings on the state which were just reaching towards breaking the theoretical logjam of Marxist politics when the tide among socialist intellectuals turned back towards reformism.

The initial purpose—and effect—of this work on the state was to provide a nuanced counterpoint to conventional liberal and social democratic understandings of capitalist democracy which claimed that the state had freed itself of the domination of capital and to demonstrate that far from becoming external to capital, the state had become an ever more integral element in its development and reproduction. It did not deny the state's autonomy from immediate pressures from capitalists, but on the contrary set out to demonstrate that such autonomy was an essential condition, given the competitive nature of the economy and the capitalist class itself, for the defence and reproduction of capitalism. Above all, its outstanding contribution was to provide strong invitation and useful tools for understanding

both the variations **and** the limits of this general autonomy of the state. It provided a framework for understanding positive state responses in given conjunctures to working class (and other) demands while at the same time demonstrating the way these positive responses could be contained through the limits that the institutionalisation of political status tended to impose and through the state's own reading of the requirements of capital accumulation in given conjunctures. Thus to have developed the notion of relative autonomy was an accomplishment precisely because it focused attention on the balance of class forces (to see how relative this autonomy was in particular situations) and because it also drew attention to the limits beyond which reform and 'intervention' in the capitalist economy could not go without inducing a political fissure reflective of a crisis of hegemony and capital accumulation. It is extremely unfortunate that so much of the new revisionism has forgotten or ignored the essential lesson of this work.

This development, which marked an important departure from the Marxist classics even as **it** built on them, was certainly long overdue. Nor should the debates between the **various** tendencies that developed be overblown. What I have just described was common to Miliband, Poulantzas, Offe and others, with the debates among them pertaining more to language and particular focus than substantive incompatibilities: If the development of Marxist political theory had stopped here, however, it would indeed have had defeatist implications given the stress on reproduction and limits. But it did not, as toward the end of the 1970s both **Miliband** (in *Marxism and Politics*) and Poulantzas (in *State, Power, Socialism*) turned their attention to a revision of classical Marxism's fragile, contradictory and incomplete approach to a theory of the socialist state. To be sure, there were predecessors (not least Macpherson's attempt to point to the possibility of the retrieval of liberal democracy within socialism). But in Miliband's critique of Leninist Democratic Centralism and the Dictatorship of the Proletariat (very different from the opportunistic grounds on which Eurocommunists rejected it and the orthodox insurrectionary grounds with which their detractors defended it), as well as in his use of the notion of structural reformism to counterpose a strategy of administrative pluralism to social democratic reformism on the one hand and to 'smashing the state' on the other, a new start was made. So was it in Poulantzas' trenchant critique of the utopian notions of 'direct democracy' and in his insistence on thinking through the place and meaning of representative institutions in socialist **democracy**.⁴⁶

It was only a start, to be sure. But that it was made at all and then ignored in a panic rush to traditional reformism and popular **frontism** and social contracts and workers participation in the capitalist firm has been a great diversion. Benn's attack on the undemocratic character of the Gentleman's club of Parliament and Whitehall in which the Labour Party

had become structurally as well as ideologically enmeshed certainly needed more ballast than his populist appeals and the intra-party supports for constitutional change could provide. In 1981, as the struggle to change the Labour Party reached its climax, and while the TUC-Labour Party's Liaison Committee's subcommittee on industrial democracy and planning were examining five options for new planning structures, none of which involved any popular involvement in the process, Raymond Williams briefly set out some ideas on the radical reconstitution of the traditional forms of representation and administration of the kind that Marxist political theory was beginning to generate and was necessary if a socialist government in Britain were to have any chance of success.

This is deliberately different from listing certain major political and economic policies. Of course these are crucial, but some of the best of them—the nuclear disarmament of Britain; the control of banks, insurance companies and pension funds for productive investment; exchange and import controls for the recovery of British industry—are typically presented as if they could be carried through on the basis of a parliamentary majority. This, even on the Left, is the Labourist perspective which is at the heart of the problem. For to carry through any of these policies. . . would require a degree of popular understanding and support which is of a quite different order from an inherited and in part negative electoral majority. . . The very powerful forces it is certain to encounter, in any of these initiatives—over a range from national and international institutions and companies, through widely distributed organizations for influencing public opinion, to the confusions among its potential supporters—are not of a kind to be defeated from the parliamentary centre alone. . . The 'alternative strategy', that is to say, is no more than an intellectual exercise unless it carries with it, and indeed as its priority, an alternative politics. . . The defining centre of any successful left politics is the radical extension of genuine popular controls. . . It is an attempted break beyond the most benevolent or determined representative administration."

To this end Williams presented a series of particular proposals for a Labour Government's early priorities: to direct each nationalised industry to develop plans, based on the views of their workers, to democratise and socialise the 'nominally' publicly-owned institutions; the direct election of National Planning Councils and Consumers advisory bodies in industry and service with direct access to parliament as well as the relevant ministries; to break the 'system of monopolistic appointments to the control of public bodies which is in fact intended to ensure verticalism, concentration of power and dependence'; and to supplement the responsibility of elected government for public finance and investment 'with alternative and parallel forms of public responsibility'; public hearings conducted by qualified Planning Groups with access to all available public and industrial information in order to 'develop visible and publicly approved investment plans'; to make the planning process open and public so that it is not 'swamped, as always before, by capitalist power and its highly experienced market forces'; a Freedom of Information Act on which all of the above would

depend; major public investment in new electronics communications and their use for public information, discussion and decision; professional companies in the older communications sectors being leased publicly-owned resources and made responsible to elected regional and local boards; the transfer of day-to-day administration of council housing to elected tenants' associations.

This much neglected article demonstrated precisely the enormous importance and immediate value of the kind of thinking that Marxist attention to the institutional forms of a democratic socialist state could provide—if there were a viable socialist party it could provide it to. To be sure, its immediate value seems now rather less clear given what has transpired in the Labour Party since 1981. A moderate Labour Government elected on a negative vote and committed to the idea that a return to Butskellism is the best way of moving forward is no less likely to fail and to set the stage for a return to Thatcherite reaction or worse than is one with radical policies but unable to transform political structures in a way that would alone make its policies popular and hence possible.

The real lesson of Thatcherism is this: Social democracy, over the course of the post-war period, took upon itself the responsibility—and the credit—for the expansion of the Keynesian/welfare capitalist state, and the solution it offered to the economic crisis that emerged in the 1970s was a defence of this state and a call for a further expansion of it. What came to be at issue ideologically and politically was not just the fact that the crisis itself had discredited this approach on its own prime criterion (the promise to end mass unemployment), nor the difficulty social democratic governments had in even maintaining previous reforms in this context. More important was the fact that this state had already become considerably unpopular in the eyes of most working people before the onset of the crisis. It *was* bureaucratic, inefficient and, above all, distant from popular control in any meaningful sense of the term. This was as true for those workers employed by the state as for the clients of its services. The word 'public'—whether attached to *enterprise*, employees or service—became in this context a dirty one in Western political culture after a decade of denigration by businessmen, politicians, and journalists of various political stripes. And although this denigration clearly represented an aspect of a bourgeois strategy in the crisis that involved turning the screws on workers, women, radical and ethnic minorities and the poor, it came to have a popular resonance even among some members of these groups because it threw up images that related to their own alienation from the capitalist state.

It is quite understandable that social democratic parties—especially those that had recently held government office—should have become most associated in the popular imagination with this alienation. They had always insisted it was their pressure in opposition and their policies in

office that led to the expansion of the state's role. It was symptomatic of their ideology that what socialist rhetoric they retained or picked up again in the crisis took the form of an insistence that the Keynesian/welfare state had been a 'teeny bit pregnant with socialism' and that what was now needed was a further gestation period. It had always been strategically mistaken to think that welfare state reforms, macroeconomic fiscal policy, and a few nationalised industries represented some way-station on a highway to socialism. It became for a period, and it is likely to become again at some point in the not too distant future, tactically disastrous even for reformist parties to seek to gain support by advocating the defence and expansion of such a state.

For socialists, the fact that a right-wing market populism representing the most blatantly reactionary elements of capitalist ideology rushed in to fill the vacuum left by the failures of social democracy and Keynesianism became, and must remain, a very great cause for concern. It underlines the urgency of our 'getting our act together', and it is the root of the new revisionism's tactics. But we must also learn from what the popular appeal of the radical right tells us. The strength of the monetarist assault should not have become the occasion for a knee-jerk defence of the Keynesian welfare state with all its ambiguous and constricted reforms, but rather treated as the occasion for proposing—for insisting on—the fundamental restructuring of the state and its relationship to society so that the communities it is supposed to serve and the people who labour for it together have great involvement in the public domain. Rather than leave the issue at 'less state' versus 'more state', socialists must recognise that popular antipathy to the state can also be addressed in terms of speaking of a *different kind of state*.

We are still left with the question of vehicle. The main theme of this essay has been that the impasse of the working class has much to do with the practice of social democratic parties: their acceptance of the structure of the state; their promulgation of class harmony; their concern with packaging policy programmes and mobilising activists around the next election; their excessive focus on parliamentary timetables and debates; their acceptance of a division of labour between industrial and political organisation with the necessary link between the two being cemented at the top of each structure—all this attests to their inadequacy. It must be said, however, that even if concentration on this kind of practice of working class politics is justified by its sheer predominance, one cannot pretend that parties to the left of social democracy have pointed a way forward.

Even if these parties were clearer in their socialist purpose, they tended far too often towards an easy use of the term 'nationalisation', leaving the impression that what was meant by this was merely state control of industry along the lines of what they themselves criticised as bureaucratically-run public corporations in which the relationship between

workers and managers did not change and in which popular control was offered only in terms of a highly tenuated form of ministerial responsibility. Although one cannot dismiss these parties' capacity to develop a limited number of very committed and skilled organisers who have often played important roles in popular organisations, their greatest problem has been the adoption of an internal political structure which put far too much—or at least far too permanent—an emphasis on discipline as opposed to participation and discouraged creative interaction, rather than instrumentalism, with popular organisations. Any political party which puts such a high priority on discipline that pursuing a common line becomes a form of keeping its members and supporters *in line*, is destined not to grow. This is entirely apart from problems associated with paying excessive attention to, let alone entering into a relationship of dependence on, foreign models of actually-existing socialism and defending too readily the tactical or even **conjunctural** positions taken by their governments. And not least problematic has been the tendency to search for immediate practical guidance and legitimisation in the writings of Marx, Lenin, Stalin, **Trotsky** or Mao, which not only gave rise to a *practice* that was awkward in the Western context, but even a political *language* that had little apparent meaning to the uninitiated.

Fortunately, there is a notable awareness among a great many socialists today of the limitations of previous practice. At the same time, this has also induced a high degree of caution with regard to taking new socialist initiatives, of which the new revisionism is but one example. This caution is certainly understandable. It reflects the fact that the traditional Communist, Trotskyist, and Marxist-Leninist forms of political practice have largely played themselves out by this point in twentieth century history, at least in the English-speaking capitalist democracies and arguably in a good many other Western countries as well. It is not surprising that this should be so: they were the products of specific historical conditions and conjunctures, and it should hardly have been expected that they would crystallise revolutionary working class politics into a permanent mould. This is not to say that all the organisations they spawned will pass away, or that some of their ideas and practices will not continue to be relevant or in some situations actually operative. It does mean, however, that socialism as theory and movement will have to evolve new forms and new substance. We are at a new stage of socialist development and the confusion and hesitation that marks our time as socialist can only be seen in this light.

To this extent the new revisionists are right and although they are rather too ready to proclaim something new while clinging to the old, their caution does not necessarily reflect any lack of a sense of urgency or desire to move on. The promise of the attempt to change the Labour Party was that, especially through the voice of Tony Benn's insistent appeals for democratising the party and the state, it began addressing itself to the

unity of socialism *and* democracy, democracy *and* socialism. The promise of Marxist theory was that, while not losing sight of the very difficult process of trying to convince people that social ownership of the means of production was necessary, it began a revision of traditional Marxist thought that enhanced understanding of the limits of the capitalist state and promoted thinking on the democratic structures appropriate to a socialist state.

That recapturing this promise and moving beyond it will be very largely, if by no means exclusively, dependent on the struggles of working people and mean the revitalisation and reconstitution of a political and cultural working class identity seems to be incontrovertible. I argued earlier that the withering away of old working class identities was indeed something real and would be difficult to reverse. To begin that process of reversal will mean, as this essay has tried to insist, not passively accommodating socialist politics to a fatalistic 'realism', but setting out to connect with and helping to broaden and deepen the experience of collective labour out of which working class identity grows and can be nourished. The fact that older manual occupations have declined in relative numerical terms does not mean that exploitation has changed its character nor does it invalidate the classical Marxist project (based on its understanding of that exploitation) which, since the Communist Manifesto, has defined as the 'immediate aim' of working class parties 'the formation of the proletariat into a class'. Capitalism's insistent recomposition of occupations and communities must make this immediate aim an ever present one for socialist politics, and one that is particularly pressing today. But it is hardly an ephemeral goal, least of all today as capitalists, aided by the state, increase the level of exploitation and managerial domination and subject newer industries and occupations, not least those in the service, commercial and public sectors, to the collectivising experiences—in terms of low status, limited mobility, low relative pay, and lack of autonomy—wherein labour's common predicament and potential can be recognised and acted upon. One of the main reasons why social democratic incomes policies and participation schemes have to be looked upon with suspicion is that they can so easily become the basis for undermining the utility and autonomy of unions as primary organisational expressions of collective labour, devaluing the salience of class identity and struggle through their corporatist embrace.

Of course we must strive for a politics that seeks to transcend the sectionalism and particularism of trade union identity. But this is something that is very different from a politics which pessimistically discerns the decline of the working class in the decline of the older industries and which promotes, on the basis of a presumed permanent minoritisation of the working class, alliances with vaguely defined 'new middle classes' and 'new social movements' with slender social bases. In the sense of those people who are unpropertied workers and who are not involved in the

supervision of collective labour, there is indeed a working class majority in all advanced capitalist countries and the first task of a socialist party ought to be the nourishment of an understanding and consciousness of the existence and potential of this working class majority. The socialist potential of such identity, while by no means foreordained, lies in the sense of collective power as well as the sense of collective deprivation which an understanding of the centrality of class relations to the whole social order entails. To demand a politics that envisions creating a working class majority in terms of collective socio-political **identity** does not need to mean that other identities—of gender, or race, of ethnicity—have to be effaced. If anything, historical experience tells us that they cannot be effaced. And my own personal experience of working class community tells me that it is possible for working people to think of themselves as workers and to act politically in a way that allows for, in fact obtains strength from, a simultaneous expression of their other collective identities in so far as a popular socialist culture provides a common terrain of understanding, purpose and activity. It has fallen to socialists in the last decades of this century to undertake the daunting **task** of establishing new political directions and institutions, much as our forerunners had to do in the last decades of the last. As before, and despite the very different conditions, these will not come out of thin air but will involve the breaking up and the amalgamation and development of organisations that went before. That there will be enough immediate grievances and struggles, not least by workers, employed and unemployed, upon which to build in this terrible era of major capitalist crisis and restructuring, there can be no doubt. Even if it is by no means inevitable, least of all when the terror of nuclear holocaust gives a new and horrible visage to the meaning of barbarism, socialism remains the only human alternative.

NOTES

1. Speech to Campaign for Labour Party Democracy meeting, 1981 Labour Party Conference, Brighton, September 27, 1981.
2. Colin Leys, 'Thatcherism and British Manufacturing: a Question of Hegemony', *New Left Review* 151, May–June 1985, p. 17.
3. For a full discussion of these developments, see L. Panitch, *The Tripartite Experience*, Research study for the Royal Commission on the Economic Union and Development Prospects for Canada, Ottawa, 1985.
4. It should be noted that the **term** 'the new revisionism', although put to good use recently by Westergaard and Miliband, has in fact a much wider remit than the Eurocommunist-inspired analyses of British Labour's crisis in the **1980s**, or even than the more general retreat from traditional positions among Marxists that has been evident in this decade. The very academic revival of Marxism since the late 1960s had already begun to produce in the 1970s a 'new revisionism' emanating from various political institutions and intellectual circles that were themselves traditionally anything but Marxist. Among academics whose values and **assumpt-**

ions rarely strayed from the tenets of Fabian, Keynesian, or Weberian analysis there was a tendency to recast their old conceptual gear in 'neo-Marxian' terminology, while continuing to explicitly reject the revolutionary implications of Marxism. And within social democratic parties, a good many of the new reformist strategies advanced in the 1970s were often formulated, even by elements of the old leadership and for the first time in decades, with the help of a vaguely Marxist vocabulary. What all this bespeaks, and has been far too little noted, is an important convergence of political and intellectual trends, coming so to speak from different directions, which has yielded a form of discourse and practice in our times that bears many of the earmarks of the revisionist and reformist Marxism of post-World War One social democracy. We are back at the original dilemma in more ways than one. For an earlier presentation of this 'new revisionism', see my review of C. Crouch (ed.), *State and economy in contemporary capitalism* (London, 1979) in the *International Journal of Urban and Regional Research*, 5:1, 1981, pp. 128-32. Cf. J. Westergaard, 'Class of '84', *New Socialist*, January-February 15, 1984; R. Miliband, 'The New Revisionism in Britain', *New Left Review*, 150, 1985; and B. Fine et al., *Class Politics: An Answer to its Critics* (London, 1984), esp. pp. 9-11.

'Manifesto of the Communist Party' in Karl Marx, *Political Writings Volume One: The Revolutions of 1848*, (ed. D. Fernbach), (London, 1974-80). It is worth noting that Marx speaks not only of the role of Communist parties in class formation here but of 'all proletarian parties' and of their expressing 'in general terms, actual relations springing from an existing class struggle, from an historical movement going on under our very eyes'. Gorz relies on a passage from *The Holy Family* ('It is not a question of what this or that proletarian, or even the whole proletariat, at the moment regards as its aim. It is a question of what the proletariat is, and what, in accordance with this being, it will historically be compelled to do.') It is therefore interesting to note that Gramsci saw *The Holy Family* as 'an occasional work. . . a vaguely intermediate state' in Marx directly contrasting it with *The Poverty of Philosophy* which he saw as 'an essential moment in the formation of the philosophy of praxis', and that he makes this contrast directly in the context of citing the latter work as his 'point of reference for the study of economism and understanding relations between structure and superstructure. . . where it says that an important phase in the development of a social class is that in which the individual components of a trade union no longer struggle solely for their own economic interests, but for the defence and the development of the organisation itself.' *Selections from the Prison Notebooks of Antonio Gramsci*, (Q. Hoare and A.M. Smith eds.), London 1971, p. 162, cf. Gorz, *Farewell to the Working Class*, Boston, 1982, p. 16.

Ernesto Laclau and Chantal Mouffe, *Hegemony and Socialist Strategy*, London 1985, p. 181.

'Labour's Lost Millions', *Marxism Today*, October 1983, p. 12; 'Labour: Rump or Rebirth?' *Marxism Today*, March 1984, p. 11.

8. *The Forward March of Labour Halted?* London 1981, p. 18.
9. 'The Labour Party and Class Formation in Twentieth Century Politics', paper presented at the Conference of Europeanists, Washington, D.C., October 1983, pp. 8, 10.
10. *Class Inequality and Political Order*, London 1971, pp. 98-9.
11. Cronin, pp. 234.
12. *The Labour Party: The Party with a Future*, May 1945, p. 1.
13. *Languages of Class: Studies in English Working Class History 1832-1982*, Cambridge, 1982, pp. 240, 246.
14. 'Trends in the British Labour Movement', in *Labouring Men: Studies in the*

- History of Labour*, London 1964, p. 330.
15. John H. Goldthorpe *et al.*, *The Affluent Worker in the Class Structure*, Cambridge 1969, p. 191.
 16. Richard Scase, *Social Democracy in Capitalist Society: Working-class Politics in Britain and Sweden*, London 1977; Duncan Gallie, *Social Inequality and Class Radicalism in France and Britain*, Cambridge 1983.
 17. Speech to Socialist Society meeting, 1983 Labour Party Conference, Brighton, October 3, 1983.
 18. 'Class Struggle and the Union Movement', in D. Coates *et al.*, *A Socialist Anatomy of Britain*, Oxford 1985, p. 119.
 19. 'Labour's Lost Millions', *Marxism Today*, October 1983, p. 8.
 20. 'The Great Moving Right Show', in S. Hall and M. Jacques, *The Politics of Thatcherism*, London 1983, pp. 26-7.
 21. Quoted in *The Guardian*, March 9, 1982.
 22. Tariq Ali and Quintin Hoare, 'Socialists and the Crisis of Labourism', *New Left Review* 132, March-April 1982, pp. 74, 80.
 23. 'The future of the left—but what then?', *New Socialist*, January 1985, p. 41. Hobsbawm's comments on the popular front experience are in 'The Retreat into Extremism', *Marxism Today*, April 1985, p. 10.
 24. Raymond Williams, 'Splits, Pacts and Coalitions', *New Socialist*, March/April 1984, p. 33; Eric Hobsbawm, 'Labour: Rump or Rebirth?' *Marxism Today*, March 1984, p. 11; Mike Prior and Dave Purdy, *Out of the Ghetto*, Nottingham 1979, pp. 170-1.
 25. Gavin Kitching, *Rethinking Socialism*, London 1983, p. 111.
 26. Paul Hirst, 'The division of labour, incomes policy and industrial democracy', in A. Giddens and G. Mackenzie (eds.), *Social class and the division of labour*, Cambridge 1982, p. 256.
 27. Hobsbawm, 'Labour: Rump or Rebirth?', *Marxism Today*, March 1984, p. 8.
 28. Kitching, pp. 128-9.
 29. Kitching, p. 125.
 30. Hirst, pp. 263-4.
 31. Prior and Purdy, pp. 129-30.
 32. All this is discussed at length in my *Social Democracy and Industrial Militancy: The Labour Party, the Trade Unions and Incomes Policy 1945-1974*, Cambridge 1976.
 33. 'Britain left out', in J. Curran (ed.), *The Future of the Left*, London 1984, p. 132.
 34. 'West on the Dole', *Marxism Today*, June 1985, p. 10.
 35. *The Democratic Economy*, London 1984, Ch. 5.
 36. *The Lucas Plan*, London 1982, pp. 263-4.
 37. 'The Social Contract and Socialist Policy', in M. Prior (ed.), *The Popular And The Political*, London 1981, pp. 108-9.
 38. See my 'Socialists and the Labour Party: A Reappraisal', *The Socialist Register* 1979, p. 62.
 39. *Out of the Ghetto*, pp. 183, 187.
 40. *The Economics of Feasible Socialism*, London 1983, pp. 200-1, 207-8.
 41. *The Democratic Economy*, pp. 181, 175.
 42. Quoted in *The Democratic Economy*, p. 165.
 43. *The Economics of Feasible Socialism*, pp. 160-175.
 44. Perry Anderson, *In the Tracks of Historical Materialism*, Chicago 1984, p. 103.
 45. I discuss this weakness of Marxism extensively in my 'The State and the Future of Socialism', *Capital and Class* 11, Summer 1980, pp. 51-66.
 46. Ralph Miliband, *Marxism and Politics*, Oxford 1977, Chs. 5 and 6; Nicos Poulantzas, *State, Power, Socialism*, London 1978, Part Five.
 47. 'An Alternative Politics', *The Socialist Register* 1981, pp. 1-10.