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## Introduction: Marxism and the New Millennium

Marxist studies reached a turning point in 1998. Interest and creative work in Marxist studies had noticeably declined in the wake of the collapse of the USSR and the Eastern European socialist countries. Since the collapse did not reduce the various manifestations of the systemic crises inevitable under the “anarchy of production” characterizing production for profit rather than production for need, however, this decline of interest proved to be short-lived.

The 1990s saw the dramatic emergence of a global environmental crisis threatening the biological survival of the human species, the growing polarization of wealth between rich and poor nations and between wealthy and impoverished people within most nations (a conspicuous manifestation of the contradictions of capitalist society), the worldwide attack on social-welfare safety nets, and increasing conflicts between transnational capital and the national interests of the peoples of the world. All these led in 1998 to a worldwide focus of attention on the 150th anniversary of the *Communist Manifesto*, and many commemorative events were held—including an international conference in New York in August sponsored by *Nature, Society, and Thought*, *Marxistische Bätter*, *Marxismo Oggi*, and *Topos*.

In 1999, as the year 2000 loomed, *NST* cooperated with the Department of Sociology of the University of Nevada, Reno, in planning a conference with the goal of “Projecting Marxism into Y2K.” This conference, held in October in Reno, generated a solid group of stimulating contributions. The current and next

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issues of the journal will include all papers presented for which we have been provided copies.

Special expressions of gratitude are extended to Professor Berch Berberoglu, chair of the Department of Sociology, for arranging for his department to host the conference at the University of Nevada, Reno, and to Professor David Harvey of that department for coordinating the site arrangements and the conference program.



# Ideological Tendencies and Reform Policy in China's "Primary Stage of Socialism"

Al L. Sargis

Where is China headed in the twenty-first century: state capitalism, a new form of socialism with uniquely Chinese characteristics, a modern variant of ancient Chinese bureaucratic feudalism? In order to help clarify this question, I will review some theoretical points of post-Mao Chinese Marxism that continue to provide a framework for socioeconomic organization and policy in present-day China, and indicate the ideological tendencies—and their social bases—that struggle to appropriate the theoretical orientations guiding policy preferences.

In the late 1970s, China's socioeconomic problems stimulated a reanalysis of Maoist Marxism. Using the slogans "seeking truth from facts" and "practice is the criterion of truth," Chinese reform Marxists argued that it was not an abstract theory of socialism, but the level of human and material forces of production that determined the appropriate forms of relations of production. They pointed out that China was poor, economically and socially underdeveloped, steeped in a patriarchal, semi-feudal, semicolonial, and semicapitalist background. The forces of production were scattered, fragmented, and technologically highly uneven, and the economy consisted overwhelmingly of rural peasant producers.

Maoists, on the other hand, continued to claim that changing organizational relations to more socialist and even communist forms would induce the development of productive forces. They

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believed that whatever Mao said was correct and should remain China's policy—the so-called “two whatevers.”

The first major reanalysis of the Mao period was made in 1979 by Su Shaozhi, an economist and director of the Institute of Marxism-Leninism and Mao Zedong Thought. An empirical examination of China's economic, political, and social conditions led Su to conclude that China was still in the earliest (“undeveloped, initial, preliminary, primary”) stage of socialism with many tasks still undone that should have been accomplished during the transitional New Democratic phase. Echoing comments from Lenin's New Economic Policy, he said that many of the preconditions for socialism laid in the West by capitalism had yet to be accomplished in China. A socialist party was in power, but there were still gaping holes in the socioeconomic and democratic foundations for socialism. This was compounded by operating in a predominantly world capitalist economy advancing along the path of a scientific-technological revolution.

In practice, this meant decommunalization. Cooperatives should lease land to family farmers. Capitalism and state-capitalism should be allowed in industry, including foreign joint ventures and foreign-funded businesses. Public ownership, both state and collective, remains predominant, but all economic forms should be “marketized.” Economic tasks include industrialization, commercialization, socialization, and modernization of production, creating a planned commodity economy and opening China to the outside world. The economy will go through a prolonged process of dialectical negations: starting from a semisubsistence/semibarter economy, to a state-regulated commodity economy, and finally to a socially planned economy. Phased-in democratization of party, government, and state enterprises will lead to rank-and-file control of the party, citizens' control of government, and workers' control of enterprises. Such were the early reform orientations and policies of the primary stage of socialism.

Deng Xiaoping described the reforms that followed as “socialism with Chinese characteristics,” to be applied within the framework of the “Four Cardinal Principles”: the socialist road as society's form, the Communist Party as leadership, proletarian

dictatorship as government, and Marxism-Leninist and Mao Zedong thought as ideology.

By the early 1980s, the Maoists had been defeated, but the reformers had by now split into three factions: left (“conservatives”), right (“liberals”), and center (“moderates”). They differ, primarily, over the scope, depth, pace, and direction of economic and political reform. To simplify, the left wants economic reforms that stress planning over the market, but rejects political reforms like “bourgeois liberalization”; the right wants economic reforms that emphasize the market with the state playing at best a supplementary role, and political reform in which the legislature plays the major governing role; the center opts for economic reform that stress both plan and market as co-equal regulatory mechanisms, but is content with the status quo political structure, although advocating administrative changes to streamline the government.

Throughout the 1980s, left and right factions contested with each other over theory and policy making. The center, led by Deng Xiaoping, swung to one side or the other, exerting a restraining influence, and at crucial times asserting its own position. The right’s high point occurred at the Thirteenth Chinese Communist Party (CCP) Congress in 1987, when the CCP officially proclaimed that China would remain in the “primary stage of socialism” until at least the year 2050. Around that time, it projected that the material and cultural foundations for socialism will have been laid—the completion of what is called “socialist modernization” (i.e., China will have reached the level of a moderately developed country). Only then could China proceed to construct socialism proper on this basis—a task itself of several transition stages that will take numerous generations. In the meantime, the slogan is, “The state guides the market and the market guides the enterprises.”

With this background, I will now concentrate on left-right ideological tendencies. Two aspects are notable about reform and ideology: from 1979 on, the left and right have contested every major reform theory and policy; also, both tendencies have undergone differentiation as new social bases have arisen.

Left-right ideology can be traced to the point where each tendency placed the origin of reform. The left viewed reform as a

continuation of the 1956 8th CCP Congress that put economic development to the fore, and advocated the so-called “birdcage theory” where the market was like a bird in the cage of the plan. The right viewed reform as a continuation of the new democracy period, part transitional, part socialist. The first clear-cut break was over the concept of the primary stage of socialism. The left thought China had already passed from new democracy to socialism and accused the right of remaining “outside the edifice of socialism.” China was not in an underdeveloped transitional stage, but in the earliest phase of socialism proper. This required not the laying of foundations for socialism, but building up productive forces on the basis of the already-existing socialist ownership (i.e., nationalization) of industry, finance, agriculture and handicrafts. The market would play a purely supplementary role within the framework of the plan and private enterprise would exist only where socialist ownership could not be immediately implemented. This view generally held sway until the aforementioned 1987 CCP Congress.

Another 1980s foray against the right centered around critiques of political reform, in the process elaborating the concepts of “bourgeois liberalization” and “peaceful evolution” as polemics against rightist advocacy of Western parliamentary forms and a reduced CCP role in government. Also evident was the way in which the left and right framed their formulations of Marxism: the left emphasized “adherence” to Marxism, while the right emphasized the “development” of Marxism. In terms of practical effects, however, the left largely functioned as a check on the speed and scope of implementation of rightist reform concepts and policy.

This was true even when, after the 1989 Tiananmen demonstrations were crushed, the left came into ascendance and began a program premised on the “birdcage theory.” But between mid 1989 and late 1991, while the left could administer the center, previous decentralization had put the provinces, especially richer coastal ones, largely out of its orbit of influence. Hence the left was limited in instituting a new direction or implementing new measures.

In early 1992, Deng Xiaoping mobilized the support of these wealthier provinces, especially the more market-oriented Special

Economic Zones, to direct policy more toward the center. He said a particular policy should not be judged on the basis of whether it was part of the market or plan, since these were not a criterion of socialism or capitalism but a means that could be used by either system. As long as public ownership dominated and the CCP ruled, any economic measure could be ultimately channeled away from polarization and toward common prosperity. Timing his push just before the Fourteenth CCP Congress, Deng steamrolled his views over left opposition to adoption as the party program at the Congress. This was the signal for rapid development of the capitalist sector, increased foreign investment (mainly by overseas Chinese from East and Southeast Asia), and proliferation of unbalanced regional investment projects.

Between 1992 and 1996, the left attacked Deng's policies and the right defended and tried to extend them. In 1995, leading CCP leftist study groups circulated the first of several "10,000 character" manifestos criticizing reform theory, practice, and outcomes. Although no names or organizations were mentioned, this was a direct attack on the policies of the CC under Jiang Zemin's leadership. According to one report (*Ching Pao* [Hong Kong], 1 August 1996, pp. 23–26), the piece struck a sympathetic chord among certain high-level CCP leaders who told the writers that instead of setting themselves against CCP policy, they should try to convince the leadership of the correctness of the left's position. Subsequent manifestos attempted to do so, heralding both a new approach and new differentiations within the left.

Instead of countering Deng's theory of building socialism with Chinese characteristics, many began giving a left interpretation of this theory and its major components. For example, the primary stage of socialism is no longer criticized, but supported so long as it is firmly bracketed within the Four Cardinal Principles (especially the socialist road and CCP leadership). State-Owned Enterprise (SOE) reform is supported with the stipulation that workers' supervision and management be the key element. This is possible because Deng Xiaoping Theory, still undergoing systematization, is broad enough that emphases can be differentially placed. The right views this as "adhering to reform in the

abstract but negating it in the concrete.” Thus the left can stress equity, collectivism, planning, and state regulation of the market and public interests, while the right can focus on efficiency, particularism, free market, decentralization, and private interests.

These different approaches are reflected in policies advocated by each tendency. For instance, both acknowledge negative reform outcomes (e.g., increasing unemployment, income gaps, and corruption). The left views these as the necessary result of reform measures that stray from the socialist road and hence advocates policies that roll back, slow down, or redirect market reforms. The right views these outcomes as a temporary byproduct of the reform transition process and hence advocates acceleration of measures to implement a socialist market economy.

Together with differing approaches have come variations within each tendency. The left can be divided into three groups. One consists of those who are against Deng’s reform project because they believe it will negate socialism. A second, probably the majority, is not against reform per se, but criticizes its scope, pace, and trajectory. Third, and most recent, is the so-called new left or neo-Maoists. These are younger, often Western-educated, theorists who support some of Mao’s tenets and interpret them in a manner that promotes more worker control and democratization of the economy and state. Their criticisms of other aspects of reform are largely consistent with those in the second group.

The right has also undergone fractionalization. Some still advocate the original conception of market reform as a largely presocialist or semisocialist transitional stage. Others are market socialists in that they view the market as the central component of even mature socialism. A third group has a social democratic hue.

This diversification also reflects the expanding social bases of these tendencies. Since reform began, the left has been chiefly located in the state planning, military, and propaganda organs. In the cultural field, they have nested in leading universities and social science academies, the mass media, and CCP schools. During the reform period they have expanded more into upper and middle levels of the trade unions, especially in policy advising, research, and political education. The left has more

influence among cadre in poorer western and central regions and SOEs undergoing drastic restructuring. The right, originally strong among intellectuals in certain research institutes and government reform agencies, has extended itself to managers of successful SOEs, cadre in wealthier coastal provinces, and private business owners. In short, support for each tendency has largely resulted from the prominence and decline of different groups during the reform process.

What about the future? The left has been largely marginalized from policy making for much of the reform period, at best acting as a brake on the right. In 1996, with the first of several “10,000 character” manifestos, the left slowly began to regain its ability to influence higher leadership. This also coincided with deeper-cutting reforms that increased unemployment. But the left began to increase its policy influence noticeably in 1999 with the bombing of the Chinese embassy in Belgrade, the World Trade Organization concessions proposed by China’s premier Zhu Rongji, and the Asian capitalist crisis. In practical terms, the left has been able to rescind WTO concessions, and raise to a level of serious discussion the possibility of an anti-imperialist alliance with other Asian nations and closer ties with the Third World. It had more explicit emphasis put on measures safeguarding workers’ interests in SOE reform at the CCP Fourth Plenum in September 1999.

This was symbolized when Deng Liqun, the leading leftist elder who was even excluded from Deng Xiaoping’s funeral because of his hostility to Deng’s reforms, spoke on 29 June 1999 at a CCP-sponsored symposium. Before an audience representing all ideological tendencies, he criticized Deng by name and said, “Deng Xiaoping’s ‘central theory of centering everything around the economy and placing money above politics’ has brought about disaster to our country and our communist party. . . . Practice has proven that Deng Xiaoping’s theory is, in essence, a combination of an Asian capitalist social and economic entity with the political entity of the Soviet Union in the late 1970s.” On top of that, the leading leftist (Li Peng), rightist (Li Ruihuan), and centrist (Jiang Zemin) in the Political Bureau praised Deng Liqun as a “mentor in theoretical circles.”

While this is more a tactical than a strategic reorientation to the left, it indicates that social pressures from below and above, responding to the kinds of views promulgated by the left, are affecting the top leadership. The left is in a better position today than at any time since the early 1990s.

But the credibility and even understanding of Marxist ideology—left, right, or center versions—is not great among the masses. Also, the left remains identified with a less prosperous, though certainly more socially beneficial, period. However, workers and peasants respond favorably to actions that empower them. For a still largely uncrystallized left agenda to gain support, it must reach beyond the middle- and upper-level cadre to which it normally speaks and into the grassroots with policies that respond to mass interests and demands, mobilizing the masses to act in their own behalf. If the left does not, and the problems engendered by reform lead to spontaneous mass action stimulated by serious economic and political crisis, the future options could be grim. If the left can seize the opportunities arising in the cross-century period and influence both those above and below, then a strategic reorientation may indeed be on the agenda.

No one can accurately predict what will come out of all this. My estimate, based on China's previous experience, is that China is flexible enough to switch the means of pursuing its socialist goals if it appears they are being derailed. The only question is whether it will be too little, too late. People on the left and right in this country usually can find enough in China to fit their perceptions of what China is and where it is going. In my view, China is a transitional multisectoral socioeconomic system with a major socialist component vying with other sectors. The issue is whether it will track to a Chinese form of socialist democracy or something else. And that will depend on the strength and struggles of the currently contending social forces, as well as those that may appear in the future. The Chinese revolution is still a work in progress.

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# Popular Democracy in Socialist Society

Erwin Marquit

My purpose here is not to seek the causes for the collapse of socialism in the USSR and Eastern Europe, but to discuss what answer we can provide in an industrialized bourgeois democracy—the United States—to the concern that socialism would result in the loss of democratic rights rather than in their extension.

The principal goal of all Marxists is to contribute constructively to the processes that lead to the transition from capitalism to communism. Marx and Engels, and Lenin after them, recognized that this will not be a spontaneous process, but one guided by the conscious, scientific understanding of the historical processes involved in the transition.

Revolutionary transformations do not occur simply because conditions become intolerable, but only when masses of people become convinced that they have the power to effect the changes necessary to meet their fundamental needs. Our task as Marxist-Leninists is to convince the working class and other oppressed and exploited working people that they have the power to satisfy their most pressing needs by setting into motion and retaining control over the process of transition to socialism.

Despite the many great social advances of the present and former socialist countries, the Communist parties of the industrialized capitalist countries have been unable to win over sufficient numbers of people to the necessity of a socialist solution to their many problems. Many factors contribute to this, the main ones being the intense antisocialist propaganda and political repression such as that which we experienced in the United

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States during the worst days of the Cold War and which continues today in a somewhat moderated form.

The presence of the well-known extensive networks of social security and social welfare established in the USSR and the Eastern European socialist countries made it possible for the working classes in Western Europe to force concessions from monopoly capital in their respective countries. Communists in Western Germany were therefore able to assert convincingly that the German Democratic Republic served as a silent partner of the West German workers in their trade-union contract negotiations. Nevertheless, the propaganda machine of monopoly capital was able to convince masses of working people that their gains under a socialist alternative to capitalism would be more than offset by the loss of the rights and freedoms they were able to wrest from monopoly capital within the framework of bourgeois democracy.

The antisocialist propaganda campaigns capitalized on the social tensions that arose particularly in the USSR and Eastern Europe in connection with the attempt to develop an economic bloc or market of socialist countries in a world economy dominated by more highly industrialized imperialist countries that exploited every opportunity for internal and external political, economic, and military penetration.

The objective and subjective factors that gave rise to these social tensions have been considered from a number of different viewpoints (see Marxist Forum, *Nature, Society, and Thought*, vol. 6, no. 1 [1993]: 56).

Antisocialist propaganda generally focuses on two areas: economic and political. In the economic area it identifies democracy with a free-market economy, veiling the demand of capital for its right to exploit wage labor by asserting that only a capitalist economy can offer the consuming public access to a wide variety of commodities. In the political area, antisocialist propaganda identifies popular democracy with a parliamentary system based on competing political parties under conditions in which monopoly capital retains control of the media and sustains financially the electoral campaigns of a variety of political parties that reflect its interests in supposedly fair competition with parties reflecting the needs of the working class and its allies. The

absence of competing political parties in the present and former socialist countries is then presented as the denial of democratic rights that necessarily results from an undemocratic socialist economy in which the people are denied free-market access to the goods and services needed in their everyday life.

Instead of challenging these fallacious interconnections, some parties and political groupings that formerly or even presently identify themselves with the Communist tradition hold the view that socialist planned economies based on public ownership of the means of production are intrinsically undemocratic. They label such economies as “statist,” drop Marxism as their ideological basis and the working class as their class basis, and limit their concept of socialism to “a just society, free of exploitation,” without any political-economic statement identifying socialism as public ownership of the means of production or exploitation as the appropriation by capital of the surplus product produced by wage labor above what the worker receives as wages.

How then can we bring out the democratic character of the socialist society that we set as our primary objective?

The call of the Communist Party USA for “bill-of-rights socialism” expresses more than a commitment to the real implementation of the freedoms of speech, press, assembly, and religion; protection from unreasonable searches and seizures and other violations of rights of privacy; commitment to due processes of law, including trial by jury, protection from self-incrimination; and other rights and freedoms associated with the first ten amendments to the U.S. Constitution and the constitutional amendments designed to guarantee civil rights. It is a commitment to the extension of these rights to all inhabitants of our country—citizen and noncitizen—as well as to the full respect for the national sovereignty rights of the Native American peoples. It is also a commitment to extend this concept to include such human rights as the right to free education, health care, security in retirement, rest and recreation, and, above all, the right to secure employment in accordance with one’s education and inclination. It is not, however, a commitment to treat corporations as legal persons and allow them to manipulate and control the electoral system and otherwise dominate so many

aspects of our social and private lives.

In the United States, as in other industrialized capitalist countries, Communists and left forces generally are seeking to forge broad antimonopoly coalitions that will be strong enough to curtail the power of the monopolies. To achieve this goal, it will be necessary to reform the electoral process so that the working people of the country acquire state power. We cannot predict the composition of the coalition of forces that will be capable of achieving this goal, but at that point the transformation of the capitalist economy into an economy based on public ownership of the means of production will certainly be on the agenda.

The essence of socialist democracy is rooted in the control of the means of production and the product of production by those who do the work. The dominant role of working-class political parties and organizations is, therefore, essential to democratizing the workplace, and to ending private appropriation of the product of socialized labor.

The process of democratization of a major enterprise—for example, an auto plant—to the point where the workers can consider themselves as owners of the means of production and the product of production is a complex one. Neither the enterprise nor its product (the autos produced by it) is the property of the work collective. Cooperative forms of ownership, in which the workers have full control over the means of production and the product of production, can be appropriate for small enterprises. But major productive facilities such as power plants and automobile factories must serve the people as a whole and not just the work collective. The management of such productive facilities must therefore be responsible and accountable to the socialist state that represents the people as a whole, and not just the individual work collective. Therefore the trade unions must stimulate to a maximum relations of cooperation and mutual assistance within the enterprise, seeking every possibility of involving the workforce in the decision-making process in cooperation with management, while at the same time vigilantly protecting the workers from administrative excesses and pressures on the part of management. The workers receive as wages and fringe benefits only part of the product produced by them. In order for them

to view themselves as owners of the means of production and the product of production they must be convinced that they as a class can determine the policies of the civic institutions that control the economic development and distribution of the product of production.

The coalition of antimonopoly forces consisting of the Communist Party and other left and progressive political parties and organizations that combined to wrest state power from monopoly capital will initiate the transformation of the capitalist economy into an economy based on public ownership of the means of production. Initially, there will be a multiplicity of property forms and interplay of political forces reflecting the interests of the various classes and strata involved in this socialist transformation. A strong Communist Party, grounded theoretically in the Marxist-Leninist science of society, will be necessary to ensure that the interests of the working class remain paramount in this process of social transformation, but it may have to do so within the framework of a coalition of possibly competing political parties and organizations.

The formation of competing political parties or similar structures can be traced back to antiquity. The most detailed information available about such formations in antiquity is from ancient Rome. During the years of the Roman Republic, the free citizens formed political coalitions along class lines. In the history of the United States, the class basis of the principal political parties as they formed or consolidated in the nineteenth century is usually explicit. Toward the end of the nineteenth century and throughout the twentieth, as monopoly capital established its dominance in the state, it increasingly sought to disguise the control it exercised over both the Democratic and Republican parties. Despite the differences between the two parties, differences that vary from state to state and city to city, it is quite clear that the interests of the working public have not been democratically represented by the two-party system.

Once the process of socialist construction gets underway in the United States, a principal task will be to transform the political process from one of competition between classes and strata striving to protect their own interests to a society governed

by consensus. By consensus I mean that in the decision-making process the needs of all working people with differing interests and priorities are taken into account. Democracy is not served when a majority of 51 percent imposes its will on a minority of 49 percent. An appropriate form for arriving at consensus is the involvement of various kinds of popular organizations in the decision-making processes on local, regional, and national levels.

Clubs, associations, leagues, and other membership groupings formed around various activities in which large numbers of people are involved locally, regionally, and nationally have been called mass organizations in the socialist movement. They exist, of course, in capitalist countries—trade unions, civil rights organizations, community organizations, sports associations, women's organizations, environmental groups, and cultural organizations, among others. The spirit of cooperation and mutual assistance that will characterize interpersonal relationships in a socialist United States, especially with the reduction in the length of the average workweek, will contribute to a considerable expansion in the size and scope of such organizations.

These organizations should have direct representation in the governmental bodies through their participation in the process of candidate nomination in an electoral system based on proportional representation. Differences in size and social role will obviously have to be taken into account in the establishment of an equitable balance of participation in the governmental administration. Trade unions and community-based organizations such as block committees, for example, will be more heavily represented than, say, chess clubs.

This type of democratization of the public administration will gradually emerge as the socialist economic structures become consolidated. In the initial stages, however, the political parties will be playing decisive roles. The goal of the Communist Party will inevitably be to seek unity among the socialist political forces and ultimately a merger into a unified party, but there can be no timetable for this. The experiences at socialist construction in the twentieth century showed that full employment and job security coupled with policies of affirmative action, universal

health care, free education, and other social-welfare measures were the key to the reduction and near elimination of social tensions related to crime, racial and national prejudices, and sexism. The high level of industrial development in the United States will make it possible to introduce these measures in a very short time and establish the material and cultural basis for resolving political differences.

The Communist Party will continue to bring into its ranks the most socially conscious members of society and strive to play a leading role in guiding the process of social transformation. The Communist Party and other political groupings cooperating in this process can participate in the governing structures on two levels. As mass organizations, they, too, will have representation in the governing structures. The members of the Communist and other parties and political groups will also be active members of trade unions, community organizations, and other mass organizations and will therefore be included in the governing structures as representatives of these organizations.

Socialism in the United States and the organizations that participate in the process of socialist construction will develop their own models based on the organizational traditions and structures that have emerged in the course of people's struggles throughout our history. Although fitting our own model to our own existing conditions, we should also learn from the experiences of other peoples. This will be particularly important in regard to the relationship between the dominant political party, or coalition of leading parties, and the mass organizations, because this is a critical factor for guaranteeing the preservation of the democratic character of any socialist society. The Communist Party, say, will naturally seek to give theoretical/ideological leadership to the process of socialist development, and its members will put forth its program in the mass organizations in which they are active. But once discussions begin within the mass organizations and governmental bodies, the independence of these institutions from the Party must be respected. The South African Communist Party has long based the activities of Communists in the African National Congress and the trade unions on such a principle. At the end of the 1980s, the Communist Party of Cuba adopted this

policy as well, so that while the Communists in mass organizations propose policies based on the Party program and discussions of their implementation, the final policies adopted by the mass organizations after their own internal discussion no longer have to be referred back to the Party for approval before being considered final.

The general principle reflected here is vital to socialist democracy, namely, that the executive bodies of the institutions and organizations must remain accountable to the lower bodies that elected them. Election of higher bodies and accountability of the elected leadership to those that elected them are part of the concept of democratic centralism, other principal features being the adoption of decisions by a majority of those participating in the body making them, and the binding character of the decisions of the higher bodies on lower bodies (presumably after appropriate consultation). Individual organizations, such as the Communist Party and, if they so choose, various mass organizations, will operate on the basis of democratic centralism, but the concept of organizational independence implies that democratic centralism is not an appropriate basis for the relations between the Party and the other organizations in which its members are active. The principle of democratic centralism arose as a basis for organizations in which membership is voluntary. For this reason it was appropriate for the Communist Party of the Soviet Union to base itself on democratic centralism; whether or not it was followed properly is a separate question. It was inappropriate, however, for the Soviet Constitution to have incorporated democratic centralism as the organizational principle of the Soviet state, since people do not choose the country of their birth.

This process of asserting the democratic character of a socialist society will encounter many difficulties, but it will be successful if Communists continue their historic focus on the unity of theory and practice.

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# Prospects for Unity in the World Communist Movement

Scott Marshall

Workers of the world, unite! We all know that slogan to be a stirring battle cry of the working-class movement. But it also describes an objective process of capitalist development—a process that is even more apparent and understandable to the working class today in these times of globalization.

Marx and Engels outlined a materialist approach to history. They showed that history has a direction, and that this direction is governed by laws of social development. In the *Communist Manifesto*, they very clearly described the process by which workers become class conscious in struggle—from fighting the boss as individuals, to joining with fellow workers as a group against the boss, to uniting all the workers in their industry against the owners of that industry, and finally to seeing themselves as a class arrayed against the ruling class.

Paralleling this road is the development of various levels of organization to defend and extend the interests of working people in the class struggle. Most prominent among these are trade unions and Communist parties. I am, of course, oversimplifying in order to get to my main point, and, I might add, to avoid important but rather long arguments about how socialist ideas get to the working class.

In any case, it should be apparent to all who study history from a working-class and materialist point of view that unions and Communist parties are inevitable products of the class struggle and the progressive direction of history. To paraphrase

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Eugene V. Debs, "A thousand times they pronounced them dead, and a thousand times they arose from the ashes stronger than ever."

I would add to this the inevitability of world Communist unity and organization as a necessary component of the class struggle, even more so in the era of globalization. The optimism and confidence of Marxist-Leninists in the rebuilding of a strong world Communist movement are grounded in our understanding of the basics of the class struggle and of history. It is going to happen—in truth, it already is happening—and that is what I am here to talk about.

In the past two years, I have been privileged to represent the Communist Party USA at a number of international meetings of Communist parties. In May 1998, we participated in an international meeting in Athens called by the Communist Party of Greece on the new challenges facing Communist and workers parties on the eve of the twenty-first century. Over sixty parties from around the world participated.

In September we took part in the Congress of the Communist Party of the Soviet Union, in Moscow, which also included an international meeting of parties. And just this past June, again in Athens, we participated in another international gathering of parties initiated by a committee of parties set up by the previous meeting in Athens.

Even in such a short span of time, it is evident that a rapid rebirth of world Communist unity is beginning. I want to give you some of the highlights of these meetings to give you a sense of the discussions and issues. But I hasten to add that while we do see these meetings as important steps in the right direction, they are by no means the only such meetings. Indeed there has been a flurry of meetings of Communist parties in the last five years—regional conferences in Latin and South America, in Europe, in the Middle East, in the Asian Pacific rim, and in Russia and Eastern Europe (to name a few)—issue-oriented conferences, ideological conferences, and the like. Our party has participated in many of these, including trilateral meetings with our fraternal parties in Mexico and Canada.

The first Athens meeting in May 1998 was interesting because it seemed to mark a definite turning point. For the first time, the main focus of the meeting and the discussion was on the future and the struggles ahead rather than a debate on what happened to the Soviet Union and to Eastern European socialism. Let me be clear. What happened is an important question. How else can we draw lessons, both negative and positive, from the longest and biggest socialist project to date? Still, there comes a time to move on and to continue the discussion in the context of solving the problems of the struggles ahead.

One of the most outstanding impressions of that conference was how deeply the Communist parties around the world are dug into struggle, and how similar the problems are from country to country. Privatization, deregulation, a rise in religious fundamentalism and racism, wage cutting, austerity drives and the destruction of social service programs, and on and on. The names of the same transnational monopoly corporations kept popping up: Monsanto, Ford, General Electric, Phillips, Eli Lilly, and on and on. The IMF, the World Bank, the World Trade Organization, and on and on. We left that meeting with two strong pictures: (1) the class struggle is sharp and getting sharper everywhere, and (2) we are all facing the same enemies.

This meeting also had as one of its themes the 150th Anniversary of the Communist Manifesto. I was really quite pleased and, to a degree, surprised that every single party agreed on the continuing validity and importance of that document. I had expected some to argue that it was a good document for its time, but that things had changed so much that it just did not apply to today's world. Instead, most argued that not only was it valid today despite some dated parts, but in many ways it was even more relevant than when it was written.

It is important to mention here that the sixty parties, while certainly not representing all the Communist and workers parties in the world, did represent an important cross section of parties from every continent and region of the world. For lack of a better shorthand, we can designate most of them as Marxist-Leninist parties coming out of the traditions of the Third International. Having said that, I should mention that they also represented a

broad range of views from left to right within that context. What was amazing to me was the degree of unity even given the degree of diversity of opinion.

I think it is important for our purposes to say a bit about the 1998 Congress of the Communist Party of the Soviet Union (CPSU), because obviously the setbacks to socialism and the Communist parties in those countries are a special problem for the world movement. Many parties from the former Soviet republics and Eastern Europe participated in the Athens meetings, but the Moscow congress was a unique opportunity to assess where these parties are going in the aftermath of the collapse of those socialist countries.

Today the CPSU is a coordinating committee of all the Communist parties in the former Soviet Union and its republics. It includes in its roster twenty-two parties and two movements. Some, like the Communist Party of the Russian Federation, are mass parties with millions of members, and others are virtually ruling parties, like the Communist Party of Belarus. Others, like the Communist Party of Georgia, are tiny embattled parties working under very repressive and difficult circumstances. I should say here that only a handful of these parties were represented in the two Athens meetings,

Given the breakup of the Soviet Union and its splintering into many independent republics and countries, the CPSU has some serious problems to overcome in building unity. Just as an example, each member party operates under different laws and constitutions in the post-Soviet era. Several parties are only semilegal and underground. Some of the participants in Moscow faced arrest on their return home.

These parties also represent a wide range of opinion on what happened and what caused the collapse. But there is great unity on some key questions: that the Soviet Union should be re-established on the basis of socialism and a new full equality of the member republics, that the parties must acknowledge the mistakes of the past and win anew the confidence and trust of the working classes and masses, and that the world Communist movement must be rebuilt on a new basis of unity in struggle against global capitalism and imperialism.

Now to this year's second Athens meeting. Comrade Lee Dlugin, our international secretary, and I attended this conference, whose main theme was confronting globalization and the multinational corporations. Already you can see from the theme a new focus and direction to the deliberations. The theme had been decided on at the conclusion of the first Athens meeting in 1998. A coordinating committee of several parties worked with the CPG to organize the meeting. It was apparent from day one that things were on a higher level. The discussion now centered much more on questions of unity in action.

Although not planned this way, the meeting took place at the height of the U.S. and NATO bombing of Yugoslavia. (As an aside, I must say that one of our most interesting bilateral meetings was with the delegation from the New Communist Party of Yugoslavia.) There was complete unity in the meeting on fighting the U.S. and NATO aggression in Kosovo. It was clear that virtually every party was engaged in helping to rebuild the peace movements in its own country. And all the delegates agreed on the need for world Communist unity and action against the expansion of NATO and ultimately, for its dissolution.

Almost every contribution to the meeting showed that all the parties were dug into strengthening the trade-union movements in their countries and in fighting to establish international trade-union ties and solidarity in the face of globalization.

I thought that one of the most interesting themes that ran through many speeches was the idea that critical to building world Communist unity is building strong mass Communist parties at home. The prevalence of this idea indicates a growing maturity in how we look for the forms of international Communist solidarity and movement. The world movement must be rooted in strong movements in the individual countries.

Long gone are the days when a "center" for the world movement can exist in any one country. The world movement developed in that way due to the particular time, place, and circumstance of the Great October Socialist Revolution. Its contribution to building the world movement, to the liberation of people from colonialism, to building socialism, and to the defeat of fascism and barbarism has been invaluable. But almost all in

the world movement realize that those days are gone, and that world unity and movement must be built on a new basis.

Now, some conclusions.

Our experience is that the world Communist movement is rapidly developing and rebuilding in a good and sustainable way. It will take time and experimentation to arrive at just the right new forms for unity and action.

While the ruling classes and imperialism have the upper hand in the current world situation, it takes two classes to tango. Just as the class struggle continues even under conditions of fascism in individual countries, so too will the global class struggle continue. New international levels of trade-union unity and fightback will be paralleled by similar developments in the world Communist movement. Despite the wishful thinking of the ruling classes and their ideologues, there will be no end to history. The development of a strong world Communist movement is an objective requirement for fighting globalization and for throwing off the yoke of capitalist exploitation from the earth. "Workers of the world, unite!" is a slogan for struggle and a requisite for socialist revolution.

*National Secretary  
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# Ten Theses on the Future of Socialism

**David Michael Smith**

Is socialism really dead? Has humankind really reached what the bourgeois ideologue Francis Fukuyama calls the “end of history”? Is Fukuyama right when he says that “liberal capitalism” is “the final form of human government”? A critical social-scientific analysis of the contemporary world must acknowledge that socialism is at a historical low point, but each of these questions should be answered with a resounding “No!”

I would like to advance ten theses on the future of socialism. I will not pretend that these brief theses constitute a fully developed prospectus for the rebirth of socialism, or that such a thing is possible at this historical conjuncture. But I hope that they will be found to be thought-provoking, at least. I should make one thing clear at the outset. By socialism, I do not mean social democracy or reformed capitalism, but instead, a society characterized by the abolition of capitalism, public ownership of the means of production, economic planning, and the exercise of state and social power by the working class. By socialism, I mean the first stage of communist development.

First, let us reaffirm that the socialist revolutions and the founding of socialist states in the twentieth century were truly extraordinary, truly world-historic achievements by the workers and peasants of the world. The Great October Revolution in Russia in 1917 and the victory of the People’s Revolution in China in 1949, in particular, demonstrated to all of progressive humankind that capitalism and imperialism can be overthrown, and that new states and new societies can be created to advance

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the interests of the masses of people instead of promoting the interests of exploiting classes. The victory of popular revolutions in Vietnam, in Cuba, in Angola, and in several other countries demonstrated the global potential of socialist development.

Second, let us recognize that the contemporary crisis of socialism represents a similarly extraordinary and world-historic defeat for the workers and peasants of the world. I need not belabor the obvious: that the Soviet Union and its fraternal allies in Europe were betrayed, and socialism was literally destroyed, by procapitalist forces within the leadership of the Communist Party of the Soviet Union; that today the Soviet Union no longer even exists; that the capitalist plunder of the former Soviet Union has created the greatest peacetime social disaster in modern history; and that thousands of workers and peasants have lost their lives in fratricidal nationalist wars in the former socialist world.

But it is worth emphasizing that the crisis of contemporary socialism is even deeper. The leaders of the People's Republic of China are racing headlong toward capitalism, presiding over so-called reforms that are expanding production and enriching relatively small numbers of people while destroying the social gains of the Chinese Revolution and leaving upwards of one hundred and fifty million people unemployed. Ominously, the collapse or deterioration of the major socialist states has driven the leaders of most other socialist and socialist-oriented countries to abandon socialist economic development and seek accommodation with the resurgent capitalist forces of the world. Just as ominously, many Communist parties elsewhere have disintegrated or become social-democratic organizations.

Third, notwithstanding this crisis of socialism, the exploitation and oppression inherent in even the most advanced capitalist societies *will* continue to give rise to working-class resistance and to visions of a new, qualitatively different kind of society. It is capitalism itself that guarantees, in the long run, that socialism *does* have a future. Here in the United States, the proverbial belly of the beast, the present rulers boast of unprecedented prosperity and capitalism at its best. But with one quarter of our people living in poverty, with another one-half of our people



living in chronic economic insecurity, with the dangerous resurgence of racism and sexism, with a growing right-wing effort to demolish what precious few rights we have, and with widespread alienation from both bourgeois political parties, there are tens of millions of workers in our country who could potentially join in a new mass movement for radical change in the years ahead. Not only the particular illusion that we call “the American Dream,” but also Western European illusions of class compromise and social accords, and illusions of neoliberalism in Latin America, Africa, and Asia are being shattered on a daily basis by the mounting assault on the masses by capitalists.

Fourth, although capitalism by its very nature will continue to create the material and social basis for the renewal of socialism, in many countries, the successful revitalization of working-class movements against capitalism will require new kinds of Marxist parties and new kinds of Marxist politics. In some countries of the former socialist world, Latin America, Asia, and Africa, revived Marxist-Leninist parties and movements may succeed in rallying workers and peasants for revolutionary change in the years ahead. But in many other countries, and especially in the countries of advanced capitalism, the rebirth of socialism will depend on the development of working-class parties, movements, and politics that are, in certain well-defined ways, qualitatively different from most twentieth-century socialisms.

Fifth, when we consider the downfall or deterioration of most Marxist-Leninist regimes, we must acknowledge the difficult historical conditions in which they emerged, as well as the unrelenting hostility from the Western imperialist powers. The major socialist revolutions occurred in relatively backward capitalist countries with relatively small working classes; in several other countries that embarked on socialist development, working classes were deeply divided politically and ideologically. The so-called Cold War did not begin in 1945, but in 1917—and it was not so cold, either. It is essential to acknowledge the harmful role of Western invasion and subversion, nuclear blackmail, economic warfare, sabotage, bourgeois ideology, etc., as we account for the development of socialist states and societies.

Sixth, having said all this, in the face of today's extraordinary crisis of socialism, we must also acknowledge the systemic and structural problems of the socialist states and societies. I believe that these states produced enormous achievements for the workers and peasants. And I believe that public ownership of the means of production, economic planning, and socialist economics in general worked quite well in certain respects, and for certain periods. But I believe that the main economic and social problems in these societies were caused or exacerbated by internal political developments and political problems. And though these latter developments and problems may be largely explained by the socialist states' struggle for survival against capitalist pressures, we must face the fact they eventually proved fatal in most cases.

Specifically, while we should reject all the bourgeois claptrap about the "Iron Curtain" and "captive nations," etc., we must realize that viable socialist development in any country is impossible in the long run without the genuine support and committed participation of the masses of workers and peasants of that country. Further, while we should reject all the bourgeois claptrap about "totalitarianism" and "Red dictatorship," etc., we must realize that the concentration of almost all power in the hands of party-state bureaucracies and bureaucrats is, in the long run, itself a grave obstacle to the development of working-class democracy and dynamic socialist economies.

Seventh, a rebirth of Marxist politics, a revolutionary and democratic socialism for the twenty-first century, must return to its political and ideological roots, as outlined by Marx and Engels, and by Lenin in the years *before* the civil war in Russia. In brief, this socialism must reclaim and rekindle its commitment to both revolution and workers' democracy. I shall address the latter first. I do not mean "democratic" in some bourgeois sense of the word, but instead in the sense of workers' democracy, such as was envisioned by Lenin in *State and Revolution* and by Gramsci in some of his writings. Before the Russian civil war and the accompanying disasters in 1918–1920, Lenin was committed to the revolutionary democratic centralist Bolshevik Party providing ideological and political leadership for the masses, but

he believed that the actual organs of state and social power must be the workers' councils. In my view, Marxists must rededicate themselves to this conception of socialism.

Updating it and applying it to contemporary conditions, especially in countries with large working classes, I would say that we need to build new kinds of Marxist parties that not only have a much more democratic kind of democratic centralism, but that will lead and guide the working classes and the masses through different means than those used in most twentieth-century socialisms. This means that in a socialist society Marxist parties must be, in fact as well as in name, distinct from the state organs and the workers' councils. It means that the workers, small farmers, and other nonexploiting elements of the population must be able to elect freely the deputies and delegates in these councils and the national congress of workers' councils. It means that there must be broad freedom of expression and association and political organization, not for fascists or deposed capitalists or violent racists, but for all workers, small farmers, and nonexploiters in socialist society. It means that new Marxist parties must lead and guide these councils, not by fiat or diktat, but through free election of their representatives to state and workplace leadership. Marxist leadership and guidance in the construction of socialism and the eventual development of communist society would be guaranteed not through an inevitably bureaucratic and repressive monopoly of power, but through the continuous and permanent mobilization and support of the masses, expressed through workers' councils.

Eighth, the successful rebirth of socialism requires a rededication to the historical understanding that capitalism can only be abolished through revolutionary means. It is deeply troubling—and quite revealing—that many Communist parties came to abandon revolution both in theory and in practice in the middle and later decades of this century. It is morally and politically imperative to make clear to workers that violence is not the most essential feature of revolution, and that we would prefer that the workers' abolition of capitalism be as peaceful and orderly as possible. But as Marxists we are duty-bound to explain to workers that capitalism cannot be abolished unless we dismantle the

capitalist state, create a new workers' state, and use the power of the new workers' state to take capital away from the capitalists. And as Marxists we are duty-bound to rid workers of the illusion that this process could ever occur entirely through electoral or constitutional means. Of course, I think that electoral and other political struggles within constitutional processes are necessary and proper—but only as part of a broader revolutionary strategy that emphasizes eventual direct action by workers' councils and the masses of workers, and the forcible overthrow of the capitalist state. After the tragic experience of Salvador Allende and Unidad Popular in Chile, Communists and socialists must never again be misled by bourgeois-democratic or bourgeois-constitutionalist illusions.

Ninth, working-class parties and movements committed to the struggle for a revolutionary and democratic socialism in the twenty-first century are going to have to appropriate the insights of the great Italian Communist Antonio Gramsci. It is regrettable that the so-called Euro-Communists in the mid-1970s tried to invoke his name as a theoretical patron of their revisionist movement. For Gramsci was, in fact, a revolutionary Marxist committed to the overthrow of capitalism and the creation of a workers' state and a socialist society. Gramsci's work is important because it can help us avoid the perennial mistake of believing that a revolution is just around the corner, and that the masses of workers will, in the moment of severe capitalist crisis, suddenly and immediately become revolutionary socialists. One of Gramsci's great contributions is his insistence on the fact that Marxist parties and militant workers must wage, in the long years or even decades before such a crisis, an unremitting struggle for hegemony—for intellectual and moral leadership of the population—as a prerequisite for the successful seizure of state power. We can learn from Gramsci that, while the final crisis of capitalism may be years or even decades away, the Marxist party and militant workers must lay the groundwork not only by educating the masses, but by helping the masses to transform themselves politically and ideologically, especially through political action, and by forging a "new historic bloc" with other "subaltern" or oppressed social groups.

Tenth, and finally, new working-class parties and movements committed to revolutionary and democratic socialism are going to have to take the struggle against racism, national chauvinism, and sexism to a higher level. This is vital, in part, because of the escalating menace of resurgent racist and chauvinist forces of all sorts. But it is also vital because momentous demographic changes are occurring and will continue to occur in the United States and Western Europe, in particular. It is no exaggeration to say that the populations in these parts of the world will be increasingly multiracial, multinational, and multicultural in the decades ahead. The struggle for working-class unity in the pursuit of revolutionary social change will require greater, more consistent, and more successful efforts to bring together women and men of all racial, national, and cultural backgrounds. No serious renewal of socialism will occur without bringing more and more workers from diverse backgrounds together. Similarly, the need for dramatically expanded representation of women in leadership as well as membership will be a vital prerequisite for the success of new Marxist parties and movements.

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# Emergence of “The Lone Superpower”: Implications for Exploitation, Repression, and Resistance

Martin Orr

The conventional history of “the lone superpower” is an ideology—a ideology perpetrated by bourgeois schools, media, politicians, and social scientists. The story goes like this: In response to the inhumanities of Nazism and Japanese imperialism, the United States, Great Britain, and France (joined belatedly and opportunistically by the USSR) united to defend democracy and the victims of Nazism. We are told that, with the end of the war, two “superpowers” emerged—the United States, leading a coalition of free nations, against an imperial Soviet Union. Almost half a century later, the “evil empire” collapsed, and we won. The United States is now the beneficent lone superpower.

Exactly what “superpower” means, however, is never specified. “Superpower” cannot mean simply a participant in the Cold War or else, with the end of the Cold War, *no* superpowers would exist. But apparently—according to the conventional definition—a superpower can be either imperialistic (like the USSR) or not (like the United States).

A more consistent use of this rather vague term would define a superpower as “a dominant imperial power in the nuclear age.” Many progressives seem to adopt this definition—the USSR was an imperial power, and the United States remains so. Thus, as Michael Moore put it at the end of his excellent film, *The Big One*, “One Evil Empire down, one to go.”

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While a consistent use of the term demands that “superpowers” are necessarily imperial, the United States is not the *lone* superpower. The United States is *the* superpower—the first superpower, the only one there has ever been, and quite possibly the last superpower. Demonstrating this requires, first, a short class-analytic history of the World War II period, and the emergence of the United States from World War II as the dominant capitalist empire. Second, the claim that for a time the Soviet Union was an imperialist nation must be refuted. In conclusion, the implications of this for exploitation, repression, and resistance will be addressed.

### *The history of the superpower*

The United States became the “lone superpower” in the aftermath of World War II, not in the aftermath of the dissolution of the USSR. Since 1945, more and more of the globe has been held in the increasingly firm grip of U.S. imperial domination.

Although the rise of fascism, World War II, and the Cold War were at root a struggle between capital and labor, intrabourgeois rivalry shaped the World War II era. Conflict between fascists and social democrats centered around the question of how best to respond to the threat of socialism generally, and to the Soviet Union specifically. Then, as now, social democrats offered to mitigate poverty somewhat in order to forestall revolution. Fascists have always preferred to keep the rate of capital accumulation as high as possible, to propagate a murderous hypernationalism, and to repress violently the resulting dissent. With the conclusion of the war, U.S. capital (already dominant in the Americas and the Pacific) was poised to supplant British capital as the dominant power in Europe, and quickly took German capital’s place as leader of the reactionary struggle against Communism. Moreover, by the time the war was over, the fascistic faction of U.S. capital had come to dominate more decisively the repressive apparatus of the state and its foreign policy.

In Germany (as in Italy), the capitalists constituted the class basis of the fascists:

The true story of Hitler-Germany is the real clue to the situation everywhere. . . . Hitler came into power after a deal



with Hindenburg and the big Prussian landlords (Junkers). Since then, and in all of vast occupied Europe, Hitler has been paying off the men who invested in Fascism as a purely money-making enterprise. . . . [T]he I.G. Farben-industrie and other cartel organizations have become billionaires. (Seldes 1943, 17)

Capitalists in Germany were quick to avail themselves of Jewish slave labor, and to bid for the contracts to build munitions and concentration camps (Parenti 1997; Simpson 1993). In Great Britain, the United States, and France, many capitalists and their press regarded Hitler, Mussolini, and Franco as important allies in the attempt to prevent the spread of Communism. This they always understood as meaning the defense of capitalism; defense of civil liberties and human rights had never been a concern at home or in their own colonies. Many approved of the policies of the fascists, and encouraged similar policies themselves: wage cuts; banning strikes; repressing leftist parties; subsidization of heavy industry and agribusiness; reinforcement and enforcement of patriarchal relations; and blaming all social problems on minorities, aliens, and dissidents. Most endearing to Western capital was the unwavering anti-Communism of the Axis.

In England, Prime Minister Neville Chamberlain did not just *appease* Hitler, but was himself a fascist—he *colluded* with Hitler (Leibovitz and Finkel 1997). The fraction of the British ruling class represented by Chamberlain encouraged the Nazi assault on Eastern Europe and the Soviet Union.

A simple time line of events is illustrative. In 1933, Hitler informed Chamberlain’s British ambassador of a desire to rectify Germany’s eastern borders. Despite this, a 1935 treaty between England and Germany “permitted” Germany to build up its navy in defiance of Versailles. In 1936, Germany formed an alliance with Japan—the Anti-Comintern Pact—which Italy joined the following year. In 1937, Chamberlain’s foreign minister, Lord Halifax, praised Germany as “a bulwark of the West against Bolshevism.” In 1938, Chamberlain propagated Hitler’s lie of an uncoerced unification of Germany and Austria. Later that year, in meetings that gave up Czechoslovakia, Hitler told Chamberlain that Germany respected Britain’s right to its empire, and that

Great Britain had nothing to fear from Germany's interest in its eastern and southeastern European "frontier." This understanding reached, the mood of the meetings became even more jubilant (Leibovitz and Finkel 1997, 29). Only in early 1939, when intelligence began to confirm German plans to strike east *and* west, did Chamberlain begin to criticize Hitler. Later that year, Germany's renunciation of its nonaggression treaty with Poland and its naval treaty with Great Britain, and its conclusion of a nonaggression treaty with the Soviet Union led to a defensive alliance between Great Britain and Poland. But despite England's declaration of war following the invasion of Poland, Chamberlain continued to pursue an alliance with Germany against the Soviet Union. Not until the invasions of Norway and Denmark in 1940 does the somewhat less fascistic Churchill faction take over. Only then does England aggressively engage Germany militarily.

Fascism was also strong in France, which granted permission for Nazi aid to Franco to pass through France. The French (and British) Right prevented the pursuit of repeated overtures from the Soviet Union for a mutual defense alliance with Great Britain and France. And ultimately, of course, French fascists joined the Nazis in ruling Vichy France and in perpetrating the Holocaust.

As for the involvement of the United States in Europe, George Seldes perhaps summed it up best: "[The] great owners and rulers of America . . . planned world domination through political and military Fascism, just as surely as Hitler did in Germany, and like groups and like leaders did in other countries" (1943, 69). Still, the U.S. capitalist class (like its counterparts in Great Britain and France) was divided. Some favored assisting the British Empire, others favored assisting the emerging German Empire (and helping themselves, in either case). Many U.S. capitalists (most prominently, perhaps, Ford and DuPont) applauded Hitler's war on the Soviet Union, and shared his anti-Semitism. Moreover, U.S. capital's support for German capital and its state continued during the war:

[Several] of the greatest American corporate leaders were in league with Nazi corporations before and after Pearl Harbor, including I.G. Farben, the colossal Nazi industrial

trust that created Auschwitz. . . . Each of these business leaders was entangled with the others through interlocking directorates or financial sources.

The tycoons were linked by an ideology: the ideology of Business as Usual. Bound by identical reactionary ideas, the members sought a common future in fascist domination, regardless of which world leader might further that ambition.

Several members not only sought a continuing alliance of interests for the duration of World War II but supported the idea of a negotiated peace with Germany that would bar any reorganization of Europe along liberal lines. It would leave as its residue a police state that would place [them] in postwar possession of financial, industrial, and political autonomy. . . . [W]hen war was over, the survivors pushed into Germany, protected their assets, restored Nazi friends to high office, [and] helped provoke the Cold War. . . .

To this day the bulk of Americans do not suspect [this]. The government smothered everything, during and even (inexcusably) after the war. What would have happened if millions of American and British people, struggling with coupons and lines at the gas stations, had learned that in 1942 Standard Oil of New Jersey managers shipped the enemy's fuel through neutral Switzerland and that the enemy was shipping Allied fuel? Suppose the public had discovered that the Chase Bank in Nazi-occupied Paris after Pearl Harbor was doing millions of dollars worth of business with the enemy with the full knowledge of the head office in Manhattan? Or that Ford trucks were being built for the German occupation troops in France with authorization from Dearborn, Michigan? Or that . . . the head of the international American telephone conglomerate ITT, flew from New York to Madrid to Berne during the war to help improve Hitler's communications systems and improve the robot bombs that devastated London? Or that ITT built the Focke-Wulfs that dropped bombs on British and American troops? Or that crucial ball bearings

were shipped to Nazi-associated customers in Latin America with the collusion of the vice-chairman of the U.S. War Production Board in partnership with Göring's cousin in Philadelphia when American forces were desperately short of them? Or that such arrangements were known about in Washington and either sanctioned or deliberately ignored? (Higham 1983, xiv-xv)

Contemporary rhetoric to the contrary, going to war with Germany was never about saving democracy; the West certainly did not come to the rescue of Jews. The Nazi state had shown its stripes early on. In 1933, boycotts against Jews began, and alternatives to the Nazi Party were suppressed. The 1935 Nuremberg Law barred Jews from the professions. The Nazis organized the *Kristallnacht* pogrom in 1938. These were not believed to constitute grounds for war. (Indeed, given Jim Crow segregation and the imprisonment of Eugene Debs, many Americans were supportive of these developments in Europe.) Later, State Department officials kept secret their knowledge of the Holocaust. When the genocide was finally acknowledged, several months later, the first story in the *New York Times* appeared on page 10. Already two million people had been killed. And still the State Department and American consulates in Europe continued to impede the attempts of Jews to flee Europe. The United States went to war only after its own colonial possession, Hawaii, was attacked by the Japanese imperialists. Although Roosevelt had given aid to England beginning in 1940, the United States went to war in Europe only after Germany and Italy declared war on the United States.

After the war, the United States capitalist class dominated the perpetuation of capitalism in Western Europe. German capitalists were not punished for their war crimes, and most political functionaries kept their positions. The United States made massive campaign contributions to the Italian neofascist parties. It took over from the British the task of crushing the Greek Left, which had been most active in the anti-fascist resistance, and returned local control to the collaborationist regime. In France, the CIA, through the American Institute for Free Labor Development, established and funded procapitalist unions and enlisted the

support of the Mafia to break the indigenous Communist unions. The Marshall Plan served to give U.S. capital an economic foothold in Europe.

Although the State Department had blocked timely and effective evacuation of Jews from Europe, the United States (and the Vatican) *actively* evacuated the Nazis. This evacuation was understood by many, undoubtedly, as “keeping them out of the hands of the Communists” These Nazis were soon put to work for the U.S. government and its clients (Simpson 1988). Eastern European fascists who were evacuated helped establish, and rose to leadership positions in, the Republican Heritage Groups, whose agenda of “freeing the captive nations” of Eastern Europe later resonated with anti-Communist Republicans like Reagan and Bush (Bellant 1991).

In the Pacific, the war was given an ignoble end by Truman with the criminal slaughter of the residents of Hiroshima and Nagasaki. The Soviets were thus prevented from taking a seat at the bargaining table, and the United States was able to conduct invaluable scientific research; the nuclear targets had been chosen on the basis of methodological, not military, value (Zinn 1995). As it had in Europe, the United States found those most willing to collaborate with the Japanese imperialists the most willing to collaborate with the United States imperialists in the Philippines, South Korea, China, and Indonesia. In some cases, the Japanese themselves were armed and enlisted to put down the anti-imperialist resistance (Blum 1995). Ultimately, China was “lost,” but the United States took over from several European nations the imperial domination of Southeast Asia. In Vietnam, Laos, Cambodia, Indonesia, the Philippines, Australia–United States political crimes include the destabilization or overthrow of progressive and democratically elected governments, the support of brutal dictatorships, and acts of genocide (Blum 1995; Chomsky and Herman 1979a, 1979b).

In the postwar period, U.S. hegemony was reinforced in Latin America through genocidal intervention in Guatemala, invasions of Cuba and the Dominican Republic, and the instigation of coups d'état in Brazil and Chile. In the 1980s, the Nicaraguan Contras were established by the United States in order to undo

the Sandinista revolution. In Africa, the CIA instigated the assassination of Patrice Lumumba of the Congo, assisted the UNITA counterrevolutionaries, and supported apartheid South Africa. In the Middle East, U.S. domination spanned the 1953 overthrow of Iran's Mossadegh and installation of the Shah, the support of the construction of Greater Israel, and the support of the Moujahedeen in their struggle to regain their opium fields and re-veil Afghani women. The 1991 Persian Gulf War served to cement U.S. hegemony in the Middle East (Berberoglu 1999).

Domestic opposition to U.S. imperialism since World War II has been repressed with the same concern for civil liberties and human rights demonstrated by the Nazis. Fascistic attacks against the Left proceeded through the House Un-American Activities Committee, through the purging of the CIO, and generally through a campaign of Red Scare propaganda. With the emergence of the social movements of the 1950s and 1960s, dissent was treated as treason. By refusing to investigate, prosecute, or convict vigilantism (often stirred up by federal agents), the government repressed the civil rights movement. The FBI's COINTELPRO crushed the Black Panther Party and the American Indian Movement (Churchill and Vander Wall 1990). As the movement became an explicit critique of capitalism and U.S. imperialism, federal repression became much more direct and militaristic. Although the Left in the United States was pushed off the streets, the U.S. government left nothing to chance. In the event of opposition to his Central American genocide, Reagan was prepared to implement the Federal Emergency Management Agency's "REX84" (a plan for invoking martial law and detaining dissidents in military bases). And to win support for his policies, Reagan initiated a program of "public diplomacy" and "perception management," bringing home CIA psychological warfare techniques (Parry 1999).

### ***Why the Soviet Union was never a "superpower"***

Even many of those who recognize the imperial and fascistic nature of U.S. foreign and domestic policy accept a claim that has been perpetuated primarily through bourgeois hegemony over ideological institutions. And even many who acknowledge

that their attitudes toward the Soviet Union were shaped by U.S. propaganda efforts will insist that the propaganda was, in essence, accurate—the USSR was a failure, “not really socialist,” with brutally criminal leadership. Specifically, the bourgeois claim that it was an “evil empire” is almost universally accepted—almost certainly because it was and is the linchpin of every justification of the seamier sides of U.S. imperialism. The KGB’s practices in pursuit of World Communism were so depraved, the argument goes, that the U.S. government—in the interests of democracy and personal liberty both at home and abroad—was forced to disappear, torture, rape, and wipe whole villages off the map.

Demonstrating that the Soviet Union *never* committed a single “imperialist act” would be a tall order, beyond the scope of a few paragraphs. But, if “imperialism” entails systematic economic exploitation, Soviet history is not that of an imperialist nation. Two superpowers never faced off.

In the aftermath of the Bolshevik Revolution, Soviet history was shaped by the immediate foreign invasions in support of counterrevolution, the resulting depopulation, and painful recovery from this conflict. The forced industrialization and collectivization of agriculture (in response to what turned out to be the very real threat of Western invasion) resulted in widespread famine. Systematic foreign intervention of any kind on the part of the Soviet Union under these conditions was inconceivable. The invasions of the Baltic States and of Poland as World War II began were exceptional in their departure from previous Soviet foreign policy, were clearly motivated by Nazi mobilizations, and—despite these acts of war—relations between Russia and these republics never exhibited the economic exploitation and subsequent deprivation characteristic of imperialism. The cost to the Soviet Union of beating back the Nazi onslaught is continually understated because of U.S. focus on the Western Front. Apart from the ferocity of the German army itself, death squads composed of indigenous fascists were organized by the Nazis. These groups committed atrocities so horrendous they shocked even their German handlers (Simpson 1988, 25).

After World War II, what is usually presented as “Soviet Imperialism” in Eastern Europe is better understood as motivated by the defense of socialism against the very real and reasonably successful U.S. attempts to restore fascism to Europe in Germany, France, Italy, and Greece. East of the Red Army’s advance in World War II, in contrast, the anti-Nazi resistance was generally allowed to retain political power. The invasions of Czechoslovakia and Hungary (most open to the charge of imperialist acts by the USSR in the decades following the Second World War) pale in comparison to contemporaneous U.S. imperialism in Guatemala, South Korea, Indonesia, and Vietnam. Again, although the Soviet state imposed its will politically, no systematic pattern of economic exploitation and deprivation occurred.

Afghanistan has been widely proclaimed “the Soviet Union’s Vietnam.” In retrospect, at least, the USSR clearly lent aid to the progressive forces in Afghanistan and tended to focus their military efforts on the right-wing guerrilla armies; the Vietnamese, on the other hand, were subject to genocide at the hand of the U.S. military. The long-standing amicable relationship between the Soviet Union and Afghanistan had long been a concern to Western capital, so by 1979 the CIA was cultivating a *jihad* by the moujahedeen (who opposed the Marxist government’s unveiling of women, education of children, land reform, and suppression of the heroin trade). It was this assistance that led to the Soviet intervention in December 1979—an “invasion” that may well have been at the request of the Afghani government (Blum 1995, 343). Again, had the leftists in Afghanistan and the Soviets prevailed, it is unlikely that the political victory would have led to the systematic economic exploitation characteristic of imperialism.

Most revealing, perhaps, is the fact that while the dissolution of the “evil empire” and its reversion to capitalism were remarkably peaceful, the subsequent attempts to defend and expand capitalism have been systematically violent and more characteristically imperialistic. The Russian offensives (supported by the United States) in Chechnya and Dagestan have been increasingly indiscriminate and bloody. Hundreds of civilians have died in



bombings that if committed under Soviet rule would have been taken as proof of the failure of the socialist system and the moral bankruptcy of its leadership. Mainstream accounts of the current conflict, however, draw no conclusions whatsoever about the nature of the regime waging this war, and refuse to speculate on the need for U.S. intervention. No one in the mainstream media has described current Russian policy as "imperialistic," nor has anyone described Yeltsin as "worse than Hitler." With Russian adoption in Chechnya of NATO's policy in Serbia, little is found to criticize.

Thus, overall, it is difficult to describe Soviet policy after World War II as imperialistic. The Soviet Union accepted considerable heterodoxy among its "client states"—more than the United States permitted in Greece or Italy or Panama. Within the Soviet Union, objective indicators of social inequality between nations and ethnic groups generally improved dramatically—the structural racism typical of imperialism was not generated (Szymanski 1984, 33–101). Soviet trade (in a nefarious attempt to lull opposition, no doubt) often served to subsidize their trading partner's economy. Capital was not systematically exported so as to take advantage of cheap labor. Even mainstream observers acknowledge that the end of "Soviet sponsorship" of Cuba has hurt rather than benefited the Cubans. How different would be the effects on Guatemala or Columbia if they were freed from the grip of U.S. imperialism?

While the Soviets offered assistance to many movements, there were only three major direct Soviet interventions after World War II—Hungary, Czechoslovakia, and Afghanistan. None of these was of a magnitude comparable to many of the dozens of U.S. interventions over the last fifty years. The government of the United States and its agents killed millions in Vietnam and in Iraq, killed hundreds of thousands in Indonesia and Guatemala and East Timor, killed tens of thousands in Greece and Argentina and Chile.

Ronald Reagan told us that the Contras were "freedom fighters." Not many on the Left fell for that. Reagan also told us that the Soviet Union was an "evil empire," led by evil men who thought only of their own power and comfort and were hell bent

on world domination. Many on the Left not only continue to accept this, but go beyond Reagan by adding that they were racist and patriarchal (neither of which would have bothered Reagan, of course—for Reagan, any discernible sexism or prejudice must have seemed their only redeeming quality). However, “Soviet imperialism” was simply the ideological justification for the criminal measures taken in defense of U.S. imperialism. To the extent that examples of Soviet imperialism could not be identified, they had to be fabricated so that the American public would support the otherwise undoubtedly immoral acts of its government.

***Implications for exploitation, repression, and resistance***

Since World War II, and especially more recently in the absence of Soviet opposition, the U.S. capitalist class has enjoyed unprecedented opportunities for the accumulation of surplus. Increasing exploitation has led to class polarization at home and abroad. Real wages have been stagnant for two decades, but CEOs are now making 419 times the income of the line worker. Global income inequality is double what it was thirty years ago. The business press is ecstatic. By its own admission, things have never been better for the U.S. capitalist class.

The inevitable opposition to these trends must be repressed. Vigorous opposition to the only superpower is coming from both social movements and governments. The most threatening opposition is repressed militarily. Yugoslav resistance to the dictates of the IMF led to the cultivation of its breakup and the criminal bombing of Serbia—the least compliant of the republics. In East Timor, however, Indonesia acts as the U.S. quisling. War crimes have been committed, but the U.S. policy (as in World War II) is “non-intervention”—our Indonesian surrogates are well-prepared to “restore order” to East Timor. Australia (the only nation to have recognized the illegal annexation of East Timor by Indonesia) is considered qualified to lead the token UN effort. Indonesia will be allowed to contribute troops, and the United States will provide “intelligence and logistical support.” Had the Serbian leadership championed the elimination of social programs and opened their labor and resources to Nike and Freeport

McMoRan as aggressively as the Indonesian regime, they too might have been permitted to "restore order" to Kosovo.

But U.S. global hegemony is not as omnipotent as it often appears; the necessary contradiction is that imperialism lays the groundwork for its own demise. The end of the Cold War ends for many both within and outside of the United States any justification for U.S. militarism. The very fact of U.S. dominance makes it the most significant target of criticism throughout the world.

Given this history—the continued power of the ideology of "Soviet imperialism" in the post-Cold War era—an important specific target of our opposition is and should remain corporate control of the media. This issue is central because extending opposition to U.S. imperialism requires that people know about this social reality. Such was the case prior to World War II:

There were, of course, exposés of Hitler as a tool of Germany's Big Money, written before he became dictator, but inasmuch as publication occurred in small non-commercial weeklies which few people read, or in the radical press, which is always accused of misrepresentation (by the commercial press which is always lying) the fact remains that few people knew what was really going on. This conspiracy of silence became even more intense when the big American and other banking houses floated their great loans for Hitler—and other fascist dictators in many lands. (Seldes 1943, 17)

Without alternative media and sustained activism against corporate outlets, public relations effectively masquerades as objective information. Development of effective resistance under such conditions is impossible.

Because corporate control of media is a central issue, it is an issue that can unite. Any progressive agenda will be frustrated by an inability to communicate with potential supporters, by an inability to respond to the well-crafted and well-publicized obfuscations of the defenders of the status quo. Challenges to corporate media can be a solid basis for coalition building.

Moreover, corporate control of media must be challenged because it takes the wind from the sails of effective activism. Although our prospects often seem dismal, much of our pessimism is rooted in ideology—much of the most disheartening information we get is, in fact, false. Many lament as we are repeatedly told that the vast majority of Americans see themselves as middle class or conservative. In fact, Americans are just as likely to describe themselves as working class, and on most economic and on many social issues (e.g., NAFTA, health care, and gun control) American public opinion is surprisingly progressive (see, for example, National Opinion Research Center at the University of Chicago's *General Social Surveys*).

The incredible struggles going on all over the world are ignored, misrepresented, or trivialized by the corporate media. Perhaps above all, we are encouraged to forget that nineteen out of twenty people are not Americans. Thus the alleged conservatism of Americans—even if it were real—should not be disheartening; what Americans currently think is ultimately not very important. As the toll of capitalist imperialism rises, however, the necessity for opposition becomes increasingly apparent—even at home. This movement for revolutionary social change will find many allies around the world. Most people are workers, and they generally think like workers. Given half a chance, they can easily learn to think like Marxists.

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# Focusing the Class Struggle on Eliminating Capitalism

Evelyn McConeghey

I should like to make four points. *First*, that the Left is shooting itself in the foot by attacking the “ruling elite” in prosecutorial language. For example, the *Portland Free Press* sent out this request to possible contributors: “We want current, well-researched and meticulously documented articles, revealing current and ongoing plots, schemes and scandals as perpetrated by sections of the ruling elite.” Such articles already appear daily in left publications, and for the most part they only make readers feel depressed and discouraged. We need more articles explaining *why* such things are happening—more articles explaining the nature of capitalism.

The real problem is not the plots and schemes perpetrated by the ruling elite, but rather their belief that capitalism is the only possible way to produce goods and services, and their belief that the profit system must be preserved at all costs.

Every time we organize to demand health care, environmental protection, a living wage, human rights, or the right to assemble and protest, we are engaged in what the Left likes to call the class struggle. However, the struggle is usually to obtain a bigger piece of the pie for whatever group is demanding concessions, rather than a struggle to eliminate capitalism. And as long as we have capitalism, people will have little chance against the need of business to make a profit. When we organize *merely* to demand higher wages, better working conditions, a cleaner environment etc., we lead people to believe that such things can be

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obtained under capitalism. And when such demands are not met, or when the hard-earned concessions are taken away after a short victory, people become cynical. It then becomes harder to organize them for any kind of action. Activists actually do more harm than good, I think, when they demand concessions without also calling for the elimination of capitalism. We cannot get the justice we desire under capitalism, and to act as if we can is actually harmful to any movement for real change.

It is not the people who have managed to accumulate the most money who “keep us in chains,” but rather it is the rule to which we all succumb—the rule that “investment must earn a profit.” If you are opposed to capital punishment, you do not try to remove the executioner, you try to change the law that requires that there be an executioner. If you are opposed to the capitalist system, it makes no sense to direct your anger at a class of people who are required by the system itself. The goal should be to change the system to one that does not require profit on capital.

Every time we call for a shorter workweek, higher pay, or social programs, we should explain *why* capitalism cannot provide those things, instead of sounding as if there is a class conspiracy to keep us from obtaining them. Capitalism developed over the past three hundred years with the acquiescence of the majority, and it will *only* end when the majority want it to end. And the majority will only want it to end when they see the connection between capitalism and such problems as growing poverty, crime, job insecurity, poor schools, cuts in social programs, environmental destruction, and loss of resources.

The *second* point I want to make is the need to respond to writers who describe very adequately the frauds, schemes, and scandals that result from capitalism, but obfuscate the real nature of capitalism.

Peter Drucker writes in *Post-Capitalist Society* that “pension funds and their sibling, mutual funds, are run by a new breed of capitalist—the faceless, anonymous, salaried employees, the investment analysts and portfolio managers.” He adds, “*capital today is largely in the form of huge pools of money that circulate the globe every few seconds*” looking for possible investment or



just making profits on buying and selling currencies (1993, 1).

When I was in college, money was not called capital; and the fact that money is now said to be the largest part of world capital shows that the transferring of value from labor to capital must (and will) come an end. When liquid capital (money) grows without investment in production, we should be able to see that capitalism is in deep trouble.

Could Marx have dreamed that salaried employees would one day be called the “new capitalists”? Could Marx have imagined that one day the sale of money would become the largest industry in the world? In Marx’s day, money was still used mainly as a medium of exchange and the money that did accumulate was owned by wealthy families who either used it for the production of goods or spent it on luxuries. Money did not accumulate as debt, in huge pools to be bought and sold like cows and clothing.

By the seventeenth century, economists were saying that the value of products is the labor it takes to create them, and that because a nation’s wealth depends on increasing capital, the workers must produce an excess of what is needed for consumption in order to increase capital—what Marx called “surplus value.”

In other words, to be wealthy a society must appropriate (i.e., save for investment) some of the value that workers produce. However, modern capitalist countries have now invested so much of the value produced by labor that a large percentage of world capital cannot be used for human welfare. Increasingly, it collects in the huge pools of money Drucker identifies as the largest part of capital today.

My *third* point is that the composition of the ruling elite has changed. The nature of the ruling elite changed when the boss became a legal fiction known as a corporation. It is true, as Drucker says, that salaried employees, not wealthy families, now make most of the decisions about where and how investments will be made. However, that does not change the fact that economic decisions are so circumscribed by the needs of business to make a profit that very little room remains for any proposals that benefit people. And now everyone surely can see that even as capital is increasing, wages and salaries are decreasing.

It has never been that portion taken by the ruling elite for themselves that has caused a discrepancy between what a society can produce and what people can purchase. It is the fact that capital, under capitalism, must earn—it must earn because it belongs to private persons. Private persons will not use their capital unless it makes money for them (a corporation is a private person under the law).

To be wealthy, a socialist or communist society would also need to save and invest, but a socialist or communist society would not be *compelled* to grow by investing. A socialist economy needs only to produce the goods for which there is a need, whereas a capitalist economy must create artificial markets. Under capitalism, capital must be put to work in some way, even if it only earns paper profits, as in the stock market. And those profits are taking value away from everyone who works for a wage or salary. Labor is the only thing that produces value, and therefore all profit must come at the expense of salaries and wages.

Instead of going to wealthy families, much of the surplus value taken from the labor of people is now going to increase those huge pools of money that Drucker calls the new capital. Our labor value (including what we are paying into pension funds) is going into pools of money that are not available for wealthy families (or anyone else) to spend. We are piling up debt, which under capitalism, must earn (that is, increase by earning some kind of interest).

People know that their families have less to spend if anyone in the family is taking on debt. A nation should know that for these pools of debt paper to earn profits, less of labor's value will be available for other purchases. When debt is purchased, there is less for other purchases. It makes little difference who is taking on the debt; only one source of value exists from which the interest on debt can be taken, and that is labor. Nothing of value is created without labor—even to pick wild berries requires the labor of picking. This fact cannot be changed under capitalism, because the very basic nature of capitalism is to make profit on capital.

We have so much debt now that debt is used as money—stock options are used to pay salaries and whole companies are bought with stock. This can only take place by squeezing more labor value from workers.

David Korten says in *When Corporations Rule the World* (1995) that the function of the capitalist class has been mechanized and automated, and that financial decisions are on autopilot. He implies that there is no longer a capitalist class of people who “keep the proletariat in chains” and that the mechanics of investment needs only to be *fixed* in order to make capitalism work smoothly.

He proposes the same old fixes that have been failing for the past one hundred years: (1) “a graduated surtax on short-term investment”—as though long-term investment does not require profit; in fact he sees no harm in profit; (2) “a small financial tax on the purchase and sale of financial instruments such as stocks, bonds, foreign currencies and derivatives”—as though the money to pay the profit on these transactions does not itself come from the value of labor, and as though a tax on those profits would fix the problem; (3) “rigorous enforcement of antitrust laws”—as though business has not been able to bypass this law for years; (4) “access to opportunities for paid employment should be *allocated* as fairly as possible”—as though there is a planning body through which such allocation could be done. It is interesting that people who oppose socialism on the grounds that an economy cannot and should not be planned will propose planning under capitalism when it suits their purpose (313–19).

It is important for the Left to speak to these writers whose rhetoric sounds so calm, so reasonable and so convincing—i.e., it sounds convincing as long as one accepts the idea that investments must earn profit.

When the Left speaks of crimes committed by the “ruling elite,” we have lost most of our audience because most people have no idea who the ruling elite are. And writers like Korten convince people that there is no ruling elite, and that the problems of capitalism can be fixed if we just have the will to do so.

The Left needs to make clear what is meant by the labor theory of value; how that theory relates to all the people who are not

living on profit; and how poverty is increasing because debt is increasing. Workers are literally working more hours just to pay the interest on debt.

Karl Marx was not the first to say that market value is the labor that is required to create a product, but Marx *was* the first to say that labor is embodied *in* products—and therefore that the value of capital is the labor time embodied in it. The person in the street unconsciously recognizes this fact by saying, “I put ten hours of work into this and it’s worth a lot more than I’m getting.” It is more than he or she is getting because surplus value (profit) goes to increase capital.

It was already recognized in the seventeenth century that labor is the source of value. Marx, however, pointed out that the value of commodities is determined not only by the value added by labor in the production process in a given enterprise, but also by the value of past labor transferred to the product in the form of depreciated machinery and other capital plant, as well as by the value of the raw materials and semiprocessed materials going into the production of the commodities. The value of a Ford truck, therefore, is determined by the present and past labor that goes into its production. The accumulated capital is the profit extracted above the cost of production (wages) at every stage in the process.

Classical economists (from William Petty to Thomas Friedman) merely avoid the question of value and the nature of capital by assuming that value is a subjective attitude on the part of the buyer, and that profit is a result of demand. They equate price with value.

When we read the regular press, it seems as if the whole world believes that a rise in price (as, for example, in the stock market) bestows on things an added value. Real estate prices rise and we feel richer because we could sell our house for more money, even though the house’s value as a place to live has not changed.

When we say that financial institutions are in the business of “creating value,” what *is* that value? John Kenneth Galbraith quotes Will Payne, “A gambler wins only because someone else loses.” But then he goes on to say, “Where it is investment all

gain. One investor buys General Motors stock at \$100, sells it to another at \$150, who sells it to a third at \$200. Everyone makes money” (Galbraith 1961, 27). This is the same logic that supports people in their belief that money mailed out in chain letters can make everyone wealthy. It is a belief that money has no referent.

This brings me to my *fourth* point: that money is the most misunderstood concept in the world today. Most economists do not consider questions such as “What is money” or “What gives money its ability to purchase goods” legitimate questions. Yet clearly, money began as a medium of exchange; it mediated the value of one person’s work against the value of another person’s work. Money measured the value of labor.

Today it is said that “debt creates money.” In a class on banking, my college professor once explained the creation of money this way:

Mr. A. borrows \$10,000 from the bank to buy a truck from Mr. B. The bank credits the loan as an asset and also counts as asset the \$10,000 which Mr. B. deposits. Now the bank has \$20,000—the transaction has created \$10,000, as if by magic.

But was it created by magic?

By using money that we may have in the future to buy what we want today, we create what the economist Joel Kurtzman calls “near money,” money we nearly have. Bankers and stock exchanges have pursued this manner of creating money to such a degree that currencies all over the world are in danger of becoming worthless. What if before the year 2001, the world financial structure collapses? Is the Left ready for this?

It is amazing that a proposal can be made to invest social security funds in the stock market, and people actually discuss the possibility instead of laughing. People do not see how ridiculous the proposal is because the media tell us (in all seriousness) that such a proposition *is* possible. There is no opposing view in the media—no realistically stated opposition—because the media are owned by the same corporations that stand to benefit by the proposal. No one dares to say that the emperor has no clothes,

i.e., that the stock market cannot produce value, but only increase prices.

Is it so difficult to explain the labor theory of value in terms that any person in the street can understand? Is it impossible for people to understand that profit is the difference between what a capitalist society can produce and the goods and services people can purchase? Surely people can be made to understand that a percentage of value cannot be extracted from total production as profit and still leave the same amount to distribute for consumption; just as a people know they cannot extract a percentage of their salaries or wages to invest and still have the same amount to spend.

It makes little difference who extracts value—whether a human being, a class, a legal fiction in the name of a corporation, or a government—or whether profit is used to increase technology. *Anything* taken from the value of production and used for something other than consumption will reduce consumer purchasing power. We increase capital at the expense of consumption. Do we need more capital? We already have so much capital that, unless we eliminate capitalism, we cannot use *all* existing capital to produce goods because so much of it must go into financial pools seeking more money.

Economics is the study of how a society organizes to produce and distribute consumer goods; it is not a mysterious numbers game, as most economists would have us believe. Money is not created by magic, it is a means of measuring the *value* that society places on different kinds of labor. Would having more tape measures give us more things to measure? Having more money does not give us more things to buy; it only gives some people a better opportunity to buy what there is. If the person who borrows the money to buy the truck does not produce more, there are not more goods in the market for people to buy. And markets all over the world are already saturated with more goods than people can buy because so many people do not have the money to spend. And they do not have the money to spend because an unnecessarily large amount is being transferred from labor to capital. Certainly we do not need huge pools of money

frantically seeking ways to increase itself without the need of production.

How did we ever start treating money as though it were some magic trick? Moneylenders benefit from promoting such an illusion. The changes in the financial industry have made us believe that money is independent of the real world of people and their production. It is a monstrous and destructive illusion to believe that money can earn more money without depriving people.

Lending money was once called usury and was condemned by the Church. It was considered immoral to take value from someone and return nothing to that person. Today, however, all financial institutions are in the business of making money from usury. They make no pretense of giving back value for the interest they charge.

Any society (capitalist or socialist) must, of course, pay the cost of new technology, but *only* capitalism, through its institutionalization of industrial patents, requires society to continue paying a profit for the use of that technology, even after the value created by the labor that former workers have embodied in the technology is recovered. And by doing, so it forces present (living) laborers as consumers to provide this excess profit.

The image that best illustrates capitalism is the image of people building a robot to replace the need for human labor. As the robot eliminates workers, however, it also eliminates workers' paychecks needed to buy the goods that the robot produces. It is a self-defeating system. Debt becomes necessary, not just to feed people, but to feed the robot's need to grow. Without growth capitalism dies. The need for capital growth is the beating heart of capitalism, yet economic growth occurs *at the expense of* human welfare.

Some left publications speak of "valueless electronics-based production," as though when production is done with machines or computers, no surplus value is produced. However, a car has just as much use value when produced mechanically as when produced with the hands of living workers, and the owner of the means of production still gets profit from the labor that went into the development of the innovated process that is used for its production.

Marx's great contribution was to make clear that not only is the value of a car the embodied labor going into the making of the car, but that the machine that can assemble a car also transfers its value to the car as it depreciates.

That is what he meant by dead laborers competing with living laborers. As companies increase their investment in electronic-based production, living laborers are laid off—dead labor (in the form of machines) taking the jobs of living laborers.

Capital is socially created by the labor of *all* workers and should be socially (that is, publicly) owned. In a capitalist system, the more labor that goes into piling up capital, the less there is for food, clothing, shelter, education, leisure, and all the things that make for human comfort and pleasure. In any society, capital is a cost to the public, but in a socialist society there is no imperative that capital must “earn” as though it were human.

Today the “means of production” are owned (we say) by stockholders. Yet stockholders are individuals and institutions who have merely lent money by buying stock. And the salaried employees who manage stockholder funds must act strictly on the basis of where the funds will bring the highest return for those investors. They cannot make decisions to invest in projects that help people but make less profit. They are paid to get the highest return for stockholders, and not just for wealthy investors but for retirees whose retirement income depends on those returns. We all become implicated whether we wish to or not.

If capital is to be used for the public good, it must be publicly owned. Private investors do not and cannot think about the poverty their work causes. Nor can wealthy families be expected to give up their wealth. We need a system that does not give profit to those who own the robots.

*Albuquerque, New Mexico*

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# **The Birth and Death of Exploitation Theory: Can the Idea of Exploitation Be Saved from John Roemer's Critique?**

**Greg Godels**

In the early 1980s, John Roemer made the first serious study of the idea of exploitation since the time of Marx. In his pioneering essay, "New Directions in the Marxian Theory of Exploitation and Class" (1982b), and his influential book, *A General Theory of Exploitation and Class* (1982a), Roemer sought to expose the philosophical and political-economic underpinnings of this concept, long thought to be a cornerstone of Marxist thinking. Roemer's original work sparked a new interest in the idea of exploitation, while challenging the traditional Marxist interpretation. Yet by the close of the decade, Roemer and many of his colleagues—constituting the Analytical Marxist school—had abandoned the project of reconstructing the theory of exploitation. For them, the idea of exploitation added little to the arsenal of radical criticism embodied in modern democratic theory: the ideas of equality and distributive justice.

Unfortunately, the pro- and anti-Roemer debate took an ugly turn. Those unfamiliar with the techniques of Analytical Philosophy or Rational Choice Theory took a defensive posture, seldom engaging Roemer's argument. They saw Roemer as threatening the Marxian tradition as an outsider, an infidel who refused to bow his head before entering the temple.

Roemer's defenders devoted more to supporting his method than carefully examining the assumptions and logic of his

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argument. They circled their wagons around Roemer's theory of exploitation because they saw it as a cornerstone of Analytical Marxism.

It would be tempting to see this debate as a counterpart to the philosophical wars of the early twentieth century between the children of German philosophy and the progeny of positivism. That intense but fruitless encounter never generated any understanding between the warring factions. But it would be a mistake to push this parallel. Marx was not—with apologies to Hegelian scholars—a cryptic, fuzzy-thinking metaphysician. Rather, he was one of the most rigorous thinkers and writers of the nineteenth century. His understanding of the science of his time, his willingness to incorporate it into his work, made him, ironically, a precursor to Carl Hempel, Bertrand Russell, and even John Roemer. On the other hand, if what Marx did in his crystal-clear analysis of capitalism is dialectics, or if dialectics is what Marx did in his carefully argued theory of historical materialism, then I say, "Long live dialectics!"

We must grant Roemer one point, and a very important one indeed. Before his 1982 studies, exploitation was a long-neglected subject. Marxists paid homage to it the way that Catholic priests acknowledge the Holy Trinity. But few writers since Marx took the idea to be worthy of careful study. Since the time of the Bolshevik Revolution, the workers movement (and the revolutionary Communist parties) devoted much necessary attention to developing theories of imperialism, antifascism, national liberation, and other burning issues of those times. Yet I daresay that many Marxist activists would be hard pressed to convince a worker of the importance of the difference between "a fair day's pay for a fair day's work" and "ending the exploitation of man by man." Indeed, most Marxists today ground their critique of capitalism in its irrationality, and its ultimate demise, rather than in the injustice of exploitation.

## I

What is Roemer's challenge to the idea of exploitation?

At the heart of Roemer's work is the assumption that much can be learned from employing the tools of Rational Choice

Theory (RCT), an approach pioneered by Mancur Olson (1965). Expressed simply, this approach assumes three facts in exploring human interaction:

- (1) Humans are self-interested and, in the final analysis, only self-interested.
- (2) Humans act individually and, in the final analysis, only as individuals.
- (3) Humans act rationally and, in the final analysis, only rationally.

These three propositions stand as the cornerstone of a school of social science that endeavors to explain social interaction and the operation of social institutions by individual choice. The strategy is to show how behavior on the social level can be constructed from decisions taken by individual actors motivated by rationality and self-interest. These linkages between decisions and social behavior are often framed in formal-mathematical or formal-logical language. There is no question that RCT has known some success, exposing interesting and useful elements of bargaining and game strategies. There is some question, however, whether RCT can be extended to explain much more.

Regarding the assumptions of RCT, two telling objections can be raised.

First, RCT is ambiguous with respect to whether it is a prescriptive or descriptive theory. Does the theory describe how people actually behave or does it prescribe how they *should* behave? Clearly, we can cite social interactions that defy any or all of the three assumptions of RCT. For example, when viewed through the lens of RCT, can we understand the behavior of the Czech journalist Julius Fucik, a dedicated Communist who defied his Nazi captors? Such selfless, disinterested acts—what moral philosophers call acts of supererogation—make no sense from the perspective of RCT. Then how can RCT constitute a theory of social action?

Proponents of RCT have gone to great lengths to squeeze altruistic and other seemingly irrational behavior into the conceptual trousers of Rational Choice. While I believe that these tortured efforts have failed, they are irrelevant to an even more devastating argument.

The three components of RCT are often said to be an expression of Methodological Individualism (MI). The most devastating of the many trenchant criticisms of MI is that it is not a set of timeless truths about human beings, but an ideological disposition, a conceptual filter, for interpreting the social world. Proponents of MI take individualism, self-interestedness, and rationality to be inherent features of social beings, when, in fact, they are possible postures toward the world.

We may deny that people are fundamentally rational and self-interested individuals because we believe—with Marx—that there are no basic dispositional or behavioral truths about human beings. We may assert that there is no “human nature,” but only conditional and changing aspects. That is to say, human behavior—individually and socially—is historically bound and socially conditioned.

But it is not enough merely to assert the Marxian position against the tenets of MI. We need to refute the cornerstone of RCT.

We find a refutation in the work of the late Canadian political scientist C. B. McPherson. Like Karl Polanyi, McPherson, an avowed non-Marxist, provides important shadings to the Marxist outlook. His book, *The Political Theory of Possessive Individualism* (1962), as well as his later writings, demonstrates that the self-interested individualism that seems so fundamental to “human nature” emerges, in fact, with the decline of feudal economic relations and the rise of manufactory and the industrial system. McPherson sees the pillars of RCT—what he calls “possessive individualism”—as arising and prevailing with the advent of capitalism and its accompanying social and political system. They become, in the fertile ground of commerce, markets, and the political institutions that accompany European capitalism, a worldview so pervasive as to appear “wired” into the human system. (Interestingly, MI does not seem so obviously true, so deeply implanted in non-European societies).

To press the fashionable computer analogy, McPherson argues that possessive individualism—the ideology of MI and RCT—is merely a program and not part of the operating system of human beings.

Critics have disputed McPherson's historical research. They have attempted to decouple the ideology of possessive individualism from capitalism's development. Yet they have failed to challenge McPherson's central point: even if the origins of possessive individualism are found in Roman times, the idea can in no way be taken as embedded in the nature of humankind. Like empires, tools, and other ideas, the tenets of possessive individualism (and MI and RCT) are artifacts. They have a beginning, a duration, and, presumably, an end. It could not be otherwise.

## II

While we may have dispatched Roemer's methodological assumptions, we would not do justice to his work if we did not examine the heart of his argument. It would be a mistake to dismiss the substance of an interesting and clever argument, although it is often couched in needlessly pretentious formal schemes. If Roemer can get us to a clearer understanding of exploitation, we can forgive him his assumptions.

Roemer's argument has surfaced in many forms in many places, from his early *General Theory of Exploitation and Class* (1982a) and "New Directions in the Marxian Theory of Exploitation and Class" (1982b) to the later "Should Marxists be Interested in Exploitation?" (1985) and *Free to Lose* (1988). Despite the author's stress on clarity and analytical rigor, it is not always transparent whether Roemer is analyzing "exploitation, in general," "Marxian exploitation," "labor exploitation," "economic exploitation," or something else.

But one thread weaves through all the incarnations of Roemer's theory: the *mark* of exploitation is when one or more agents work more than the socially necessary labor time for the "goods" that they enjoy while one or more agents work less than the socially necessary labor time for the "goods" that they enjoy. The first agent or set of agents is taken to be exploited by the latter. In every argument, in every setting, incommensurability between the rewards of labor and the effort expended results in exploitation. Sometimes, Roemer writes as though this is a *definition*, but it would be more generous to take this condition as indicative and not definitive of "exploitation."

Let us set out explicitly Roemer's conditions for identifying the existence of exploitation (the Roemer thesis). Exploitation occurs only if:

1. There are at least two agents.
2. At least one agent works, producing  $p$ .
3. The labor time necessary for the production of  $p$  is  $t$ .
4. Distribution of  $p$  is disproportionate to the contribution to  $t$ .
5. One or more parties do not work more than the socially necessary labor time and one or more parties do work more than the socially necessary labor time.

At first glance, there is some merit to Roemer's position. Following Marx, Roemer works with the idea of socially necessary labor and not the actual labor expended in economic activity. Socially necessary labor is counterfactual: the amount of labor that *would* occur, using the latest technologies and a reasonable skill required to produce a particular product. This move allows Roemer to sidestep the trivial counterexamples that arise from exploitation appearing to arise from the mere existence of differential skills or changing technologies.

Moreover, there is some intuitive plausibility in seeing unequal distribution emerging from exploitation. Our sense of justice is offended by exploitation and just as surely heightened when we see the exploiter growing rich and the exploited impoverished.

But the view that exploitation (economic or otherwise) is logically bound to unequal distribution is fundamentally mistaken. Unequal burden or return is neither necessary nor sufficient for the occurrence of exploitation. Indeed, we intuitively concede this when we speak of exploitation *resulting* in unequal distribution.

How can there be exploitation without inequalities of distribution favoring the exploiter?

Consider two agents  $A$  and  $B$ .  $A$  employs  $B$  to work in his coal mine while  $A$  whiles away the day with his industrialist pals in his private club.  $B$ 's contract with  $A$  specifies that he must surrender all the coal that he digs to  $A$ . But in the course of working eight hours,  $B$  finds and keeps a huge diamond worth

millions of dollars. At the end of the day, *B* suffers no economic disadvantage—indeed, he may be enormously advantaged over *A*—but would anyone question that *A* exploited him?

Defenders of the Roemer thesis might object strongly that the counterexample fails because the discovery of the diamond was a mere accident, unrelated to the occurrence of exploitation. Yes, *B* was advantaged by working in the mine, but finding a diamond is *irrelevant* to the social relation between *A* and *B* that constitutes exploitation. But what is the relationship between exploited and exploiter that is violated by our counterexample? It is precisely this connection that is missing from the Roemer thesis.

Our counterexample shows that unequal distribution is not necessary for exploitation. Inequality does not always accompany exploitation. But is it the case that whenever there are appropriate inequalities—when agents receive differential rewards, disproportionate to their efforts—that exploitation occurs? Is unequal distribution sufficient for exploitation?

Again, the answer is emphatically negative. Let us change our original counterexample to illustrate this. *A* now operates a mine on an island thousands of miles from where *B* resides. All technologies and skills are the same so that the socially necessary labor for mining is the same in both areas. *B*, motivated by a profoundly moving revelation from his God, sends his coal production to a distant cousin whom he has never met. That cousin happens to be *A*. Thus, a clear disproportion in the disposal of assets has occurred, incommensurate with the expenditure of labor, yet *A* does not exploit *B*.

In defense of the Roemer thesis, we might object that *A*'s windfall was purely *coincidental* and therefore hardly a real example of *A*'s even remotely exploiting *B*. But that is precisely the problem. The Roemer thesis does not allow us to eliminate such obviously frivolous examples.

Rather than identifying or defining “exploitation,” Roemer has recast exploitation as a kind of claim about the distribution of assets, a statement of the disproportionality between effort and reward. Unfortunately, he never establishes the link between one agent or set of agents doing well and one or another set of agents

doing poorly. Exploitation-claims couple the one with the other. *A* prospers while *B* suffers *because A exploits B*.

In “Should Marxists Be Interested in Exploitation?” Roemer concedes this point when he denies that exploitation should be defined relationally as *A* exploits *B*, but rather as “‘*A* is an exploiter’ and ‘*B* is exploited.’ Exploitation, as I conceive it, refers to the relationship between a person and society as a whole as measured by the transfer of the person’s labor to the person, as embodied in goods the person claims” (1985, 31). Thus, he acknowledges that his thesis does not capture the force of “*A* exploits *B*.” Our counterexamples work *only* because Roemer has not established a link between “*B* is exploited” and “*A* is an exploiter.” And we would agree that this concession is a logical consequence of the weakness of his thesis.

Explicating the exploitation relation exhibited by “*A* exploits *B*” would take us far beyond this project. But we can note in passing that a proper understanding of the concept requires recognition that *A*’s position in the relationship is in some way *causally* linked to *B*’s being disadvantaged. This relationship can be profitably explored by comparing it with the related moral idea of “theft.”

### III

Why have Roemer, the Analytical Marxists, and so many other thinkers embraced the Roemerian thesis? What is the attraction of understanding exploitation in terms of inequalities of effort and reward?

Surely this move is part of a larger program of attempting to redraw the entire moral landscape into a framework of distributive justice. Like John Rawls in his influential *Theory of Justice* (1971), this approach employs the intellectual tools that emerge with capitalism’s dominance: the idea that social relations are largely contractual or modeled after contracts and the idea that moral matters are ultimately reducible to material calculation. In this view, moral judgments are calculations of the distribution of goods and evils. Moreover, it is contractual consent that legitimizes these judgments. Whatever merit this approach may have, we must surely recognize how it was shaped by the emergence



of new social relations in the dawn of capitalism. The new industrial system atomized social relations. Precapitalist social relations were shattered to make room for a “new man,” facing the world alone with responsibilities to his immediate family to “make a living.” One could advance from this bleak existence by hard work (enterprise) or through one’s wits (rational calculations). And, of course, the success of the new man (or woman) is measured by what he or she possesses. The moral road to attaining these successes is made smooth by a set of rights that serve as a license to proceed as long as he or she does not interfere with the license of others.

But there are moral concepts that prove to be intractable to such an analysis. The concepts of murder, theft, battery, and other moral crimes cannot be analytically reduced to fairness claims about the distribution of goods or harms between social atoms (individuals) or groups of social atoms. For example, stealing cannot, without violence to the concept of theft, be taken to simply be an unsanctioned displacement of property such that *A*’s property is in *B*’s possession. Were it merely a matter of the distribution of property, stealing would be morally erasable, that is, restoration of the original property allocation would eliminate the injustice and negate the charge of theft. This is at odds with the logic of stealing, which is asymmetrical: it remains the case that *A* stole from *B* regardless of whether *B* makes restitution, is punished, etc.

Stealing is a kind of activity in the broadest sense, that is, it may be done inadvertently, it may be done regretfully but nonetheless it is done to someone. And once it is done—whenever the truth conditions for “*A* stole from *B*” are met—it remains done regardless of how the distribution of goods or services is adjusted.

“*A* steals from *B*” is not a claim about the distribution of assets between *A* and *B*. “*A* is poor and *B* is rich” is a claim about the distribution of assets between *A* and *B*. No one should confuse the two. Yet, theft-claims have much in common with exploitation-claims. In his useful book, *Analytical Marxism: A Critique*, Marcus Roberts comes tantalizingly close to making this point with respect to Roemer’s work: “Now if there was no

social structure here, one option open to rational individuals, who want to secure their weekly supply of corn and avoid working for it, would be to steal corn” (1996, 169). Here, Roberts is showing that there are institutional assumptions not explicitly acknowledged by Roemer that preclude rational individuals from stealing rather than exploiting. But if *only* these institutional assumptions—sanctions against taking the property of others—separate stealing from exploiting, then the two concepts surely have much in common. They share a core notion of *agency* that resists analysis into mere statements of unequal or unsanctioned distribution.

### Postscript

As academic writing becomes more abstract, more arcane, and less relevant to the lives of real people in real time, it occurred to me that perhaps papers should have an attachment, something like a government warning label or perhaps an EPA impact statement. In this way, readers could be alerted when a paper is of interest only to a handful of “experts” or when the outcome of a scholarly dispute has little or no impact upon the world in which we live.

To immunize myself from such self-indulgence, I pledged to add a postscript to my paper explaining as clearly as I can why people beyond academic “monks” and professorial disputants should take an interest in the issues discussed here.

In the first place, I think that it is important to make the idea of exploitation central to any social philosophy that is both radical (that is, nonreformist) and anticapitalist. It is exploitation that has driven working people to search for an alternative to capitalism. From the dawn of the industrial system, from the early development of trade unions and other worker organizations, the notion that it is wrong to take advantage of the labor of others has inspired working people.

Yet there has always been another theme among radical critics of capitalism, a theme readily found in the writings of Marx and Engels, which stresses the irrationality of capitalism as a system. In this view, a society organized with the accumulation of private profit as the central economic mechanism will suffer

internal conflicts, contradictions if you will, that disable, cripple, or, in one version, finally destroy the workings of the capitalist system. The apocalyptic picture has proven especially appealing to Christian socialists, academics, and others socially distant from the working-class movements.

Of course, it is possible, and I think wise, to combine the two views. Capitalism is a system that will fail to function *precisely* because it has exploitation at its core.

Since the economic depression of the 1930s, Marxists have anchored their critique of capitalism upon the tendency of the system to falter. The Great Depression demonstrated with a great human toll that capitalism was not invulnerable. Moreover, the new economic thinking of Keynes and his followers gave the working-class movement an appealing vehicle for both repairing the system and improving the lot of working people. And the competition with real, existing socialism made *performance*, and not justice, the crucial measure of alternative economic systems. Thus, the Marxist critique of capitalism has come to rest more on the system's mechanical failure and less upon exploitation. Some Marxists may have forgotten that capitalist exploitation would still exist even if the system functioned perfectly.

Where do John Roemer and the Analytical Marxists fit into this picture?

While they restore the idea of exploitation to a central role in the thought of Marx, they construct a theory that accounts for exploitation in terms of the idea of inequality. Exploitation becomes, in their view, an unequal distribution of effort and desert. But if this is all that we mean by exploitation, then we need no special theory of exploitation. Liberal thought, based upon a fair and equal playing field with fairly applied rules of conduct, captures the essence of exploitation without the mystification of Marxist theory. Indeed, we do not need the concept of exploitation since Roemer and his colleagues believe that they have exposed claims of exploitation as merely clumsy, fuzzy expressions of a species of moral inequalities.

My argument shows that exploitation is more than the kinds of inequalities offered by Roemer. Roemer strips the idea of

exploitation of its vitality and then faults it for offering no unique contribution to social theory.

If Roemer were successful, the idea of exploitation—a special kind of moral claim—would collapse into liberal social theory. This would be a most agreeable result for those seeking to reshape social democracy into some kind of “third way.” Roemer’s taming of exploitation would support the new breed of social democrats that link the advancement of working people to equal opportunity and the “fair” operation of the market. Stripped of the powerful concept of exploitation, the working class movement is left to seek “a fair day’s work for a fair day’s wages,” an idea that is ultimately incoherent.

*Pittsburgh*

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# Marx's Critique of the Division of Labor: A Reconstruction and Defense

Renzo Llorente

Marx once observed that “the division of labour . . . is in a certain respect the category of categories of political economy” (1988, 267).<sup>1</sup> That this comment was no casual aside, but rather the reflection of an abiding concern with the division of labor, is evident from the fact that the division of labor—that is, occupational specialization—is addressed in major texts representing every stage of Marx’s theoretical itinerary, from the *1844 Manuscripts* (1975) to the “Critique of the Gotha Program” (1989). The result of this sustained engagement with the division of labor was the most sophisticated “critique of the division of labor” of the many to emerge over the course of the eighteenth and nineteenth centuries. But is there anything in Marx’s analysis that remains relevant, useful, or valid for emancipatory social theory today? In fact, there is a great deal, as I hope to make clear in the following pages.

The essence of Marx’s critique of the division of labor lies in the distinction between the “social division of labor” (or “division of labor in society”) and the division of labor “in manufacture” or, alternatively, “within the workshop.” It is this distinction that inspires the now familiar contrast between the “social” and “technical” divisions of labor, although Marx does not actually use the term “technical division of labor,”<sup>2</sup> and the two are not in fact identical. Rather, the manufacturing division of labor is best understood as one possible species or instance of the technical division of labor.

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What exactly is the “manufacturing division of labor”? As Marx uses the term, “manufacturing division of labor” refers to “a specifically capitalist form of the process of social production,” originating in the “dissection of handicraft activity into its separate components” (1977, 486) that begins with the passage from handicraft production to manufacture within the framework of early capitalism. Specifically, it consists in “the breaking down of the particular labor which produces a definite commodity into a series of simple and coordinated operations divided up amongst different workers,” and the resulting pattern of micro-specialization in production created by this extreme fractionalization of tasks.

Marx contrasts the manufacturing division of labor with the “social division of labor.” Among the most important criteria for distinguishing the social division of labor from the technical and manufacturing divisions of labor, we can, as Andrew Sayer has shown (1995, 66–70), identify the following. An important first distinction concerns the *mode of regulation*: As Marx writes in *The Poverty of Philosophy*, “While inside the modern workshop the division of labour is meticulously regulated by the authority of the employer, modern society has no other rule, no other authority for the distribution of labour than free competition” (1976, 184). A second important criterion of differentiation concerns the *basis of ownership and/or control*: “The division of labour within manufacture,” writes Marx, “presupposes a concentration of the means of production in the hands of one capitalist; the division of labor within society presupposes a dispersal of those means among many independent producers of commodities” (1977, 476). A third distinction, perhaps the most crucial as regards Marx’s specific critique of the division of labor, pertains to *the range of an agent’s activity, or status of his contribution*, within the production process: whereas the division of labor in manufacture consists, as I just noted, in the decomposition of commodity production into extremely simplified operations, each of which is permanently allocated to an individual worker, “the division of labor within society outside the workshop,” should be understood “as *separation of occupations*” (Marx 1971, 268).

With this contrast in mind, it should be emphasized that Marx's strictures against the division of labor are aimed almost exclusively at the *manufacturing* division of labor: it is the "evil" elements and consequences of this division of labor that elicit his condemnation (1988, 306).<sup>3</sup> Specifically, Marx condemns the manufacturing division of labor for two kinds of systematic effects that are (allegedly) attributable to it.<sup>4</sup> For convenience I shall term these two effects *human impoverishment*—a shorthand expression for *cognitive, psychological* and *characterological* impoverishment—and *socioeconomic disempowerment* (in terms of both individuals and collective actors).

The first—and probably more decisive—criticism, the charge of human impoverishment, holds that, by restricting occupational functions to monotonous, highly simplified, circumscribed and repetitive tasks allowing little discretion and subject to constant close supervision, the manufacturing division of labor's fractionalization of operations develops but one capacity in the worker and *thereby* impedes the development of most other capacities, faculties, and abilities. Thus, workers whose occupational functions are determined by the manufacturing division of labor become *specialists* in the most extreme sense of developing but one capacity alone, and to the irremediable detriment of all other capacities, for by converting "a partial task into the life-long destiny of a man," the division of labor "everywhere lays the foundation for that specialization, that development in a man of one single faculty at the expense of all others" (Marx 1977, 459, 474).<sup>5</sup> What is more, this "mutilation" of the worker is merely exacerbated by the introduction of machinery and the increasingly automated forms it assumes with the evolution of large-scale industry.

The second basis for Marx's condemnation concerns the effects of socioeconomic disempowerment. It is a two-fold question, for Marx evokes the impact of such disempowerment on both individual agents and the class aggregate. As for the first, three different sources of this disempowerment can be identified, though all derive from the general contraction of occupational functions, and two of them specifically from the phenomenon of

*deskilling*, by which I mean a reduction in the number, variety and complexity of the skills involved in the performance of an occupational routine. With regard to the latter, Marx argues that, with the occupational assignments resulting from deskilling, “it is only the most simple, most monotonous, and most easily acquired knack that is required” of a worker (Marx and Engels 1976a, 491). This development of but one most elementary skill (or at most a few skills) deprives workers of the economic power that they would command were they to possess at least some special skills whose acquisition required extensive training or apprenticeship. An additional way in which deskilling gives rise, according to Marx, to socioeconomic disempowerment derives from workers’ habituation to nearly unskilled occupations. Finally, the rigorous compartmentalization and segregation of operations typical of the manufacturing division of labor also produce individual socioeconomic disempowerment, since these practices deprive workers of anything beyond the most partial understanding of the production process.

As already noted, Marx’s condemnation of the division of labor in manufacture is also a response to the effect of *collective* socioeconomic disempowerment, namely the disfranchisement of workers—the proletariat—as a class. For in addition to underscoring the manufacturing division of labor’s socioeconomic impact on individual workers, Marx also links it to systematically asymmetrical purchases on power deriving from class membership.<sup>6</sup> For example, by dividing tasks into discrete, minute, nearly unskilled microspecializations and segregating their operatives, the manufacturing division of labor substantially enhances capitalist employers’ ability to regulate, monitor and *control* workers’ performance.

Marx’s proposed remedy for the ills just described is, quite simply, the eradication of the manufacturing division of labor. As I have shown elsewhere, it is this kind or pattern of specialization whose “abolition” Marx advocates, and not, as a pervasive misconception would have it, specialization as such (Llorente 1998, chap. 3, especially, 194–204). In any case, if Marx’s solution for the harms arising from extreme occupational specialization consists in the eradication, insofar as this is



possible, of the manufacturing division of labor, how is such an eradication to be accomplished?

It turns out, as Marx demonstrates in *Capital I*,<sup>7</sup> that the increasingly sophisticated and automatic machinery of modern industry makes possible the functional despecialization of workers, insofar as (increasingly self-regulating) machines come to execute the discrete operations—many of which, formerly performed by individual workers, can be efficiently recombined as well. At the same time, the workers themselves must, in turn, assume new, far more versatile roles, which tend to be largely supervisory in character and which in essence convert the workers into monitors of machines. Indeed, the crucial and distinctive point in Marx's account is his contention that this transfer of specialization from the worker to the machine not only makes the allocation of new, less restrictive, more diversified and polyvalent occupational assignments possible; it actually necessitates such a change. Instead of the microspecialization of workers, the new productive forces entail what in *The Poverty of Philosophy* he calls "the need for universality" (1976, 190), that is, the ability of operatives to oversee and tend to a variety of specialized machines.

\* \* \*

To be sure, Marx's critique of the division of labor has been extensively criticized, and not only by those bent on discrediting any and all political projects with a Marxist hue. Some of the criticism has indeed been valid, for Marx's account does contain important flaws and deficiencies of both an empirical and conceptual/theoretical nature. These flaws include, for example, his postulation of the increasing homogeneity of labor: Marx both greatly overstates actual deskilling tendencies and underestimates, or rather quite fails to foresee, the reverse process of reskilling that occurs with the upgrade of existing occupations and the emergence of new (skilled) ones.<sup>8</sup> A second flaw evident in Marx's critique arises from his probable exaggeration of the extraoccupational impact of a specialization-induced debilitation at work, his attention to conditions obtaining in mid-nineteenth century British factories having evidently led him to posit a

degree of effective determination of life beyond work that is more contingent than he believed. An additional deficiency of Marx's critique can be found in its vagueness and generality as regards the social restructuring necessary to facilitate and maximize the benefits that attend the eradication of the manufacturing division of labor. Finally, it is not unfair to charge Marx with a profound underestimation of the complexity of the division of labor—or, more precisely, divisions of labor—in the real world, and his correlative underestimation of the real-world constraints on managing and controlling the division of labor.

Significant as these flaws are, it is clear, I believe, that the merits of Marx's account and critique of the division of labor are such that it not only retains much of its relevance and validity today, but constitutes a vital resource for contemporary socialist theory. Let me briefly indicate some of these merits by way of conclusion.

First of all, one indisputable merit of Marx's analysis and critique of the division of labor lies in his persistent thematization of the topic and his elucidation of its centrality as a category of political economy. In particular, his unremitting insistence on the division of labor's ramifications for human welfare and development furnish a formidable case for regarding a more equitable division of labor as, to borrow Philip Green's words, "the core of that social equality which is the precondition of political equality" (1985, 108).<sup>9</sup>

A second fundamental merit of Marx's account is the relative precision with which he identifies those features of occupational specialization that are primarily responsible for its adverse impact on human welfare (in particular on one's prospects for autonomy and flourishing). These features—e.g., the mental/manual bifurcation, extreme microspecialization, deskilling, the absence of task variety—find their embodiment, as we have seen, in one particularly objectionable variety of the technical division of labor, namely, that which arises and is codified in manufacture. While the evidence furnished by Marx may appear insufficient to substantiate his claims in this regard, it turns out, as Robert E. Lane has shown, that contemporary psychological and sociological research tends to bear out Marx's assumptions and

conclusions concerning the debilitating effects of the manufacturing division of labor (1991, 324, 334 and 336).

Finally, the most important contribution of Marx's analysis, as well as the ultimate rationale for the persistent thematization of the division of labor, is his insistence on what Vernon Venable has rightly called an "occupational theory of the determination of human nature" (1946, 143)<sup>10</sup>. This supposition of what I would term, more simply, a strong occupational determinism, can in fact claim solid empirical support. As Melvin Kohn and Carmi Schooler have demonstrated with the studies collected in *Work and Personality* (1983), occupational conditions and experiences—especially the closeness of supervision on the job, the extent of work routinization, and the substantive complexity of a job—do indeed exert a substantial, enduring impact on various facets of psychological and cognitive functioning, even off the job. Their research largely validates Marx's premises regarding the magnitude and mechanics of "occupational determinism" as well as the grounds for his condemnation of the "manufacturing division of labor."

In addition to the foregoing virtues of Marx's account, something remains to be said about the underlying normative framework informing his critique. It is my view that the normative framework for Marx's critique of the division of labor, i.e., the ultimate basis for his objections to what I have called *human impoverishment* and *socioeconomic disempowerment*, is to be found in a more general commitment to effective *autonomy* as a basis for human flourishing, and the conditions that he considers essential for its development and maximization.<sup>11</sup> It is for this reason that Marx's critique of the division of labor is aimed at those patterns of occupational specialization that systematically tend to undermine, compromise or preclude this good, and is not, therefore, a condemnation of occupational specialization as such. As the manufacturing division of labor constitutes the one established (and institutionalized) form of occupational specialization that, in modern industrial production, systematically tends to generate these very effects, it forms the central object of his strictures. By the same token, the elimination, or an appropriately radical transformation, of this division of labor would

contribute substantially to ensuring conditions favorable to workers' autonomy and conducive to their flourishing. It is the particular combination of these normative commitments with the thesis of occupational determinism that, to my mind, lends Marx's critique its special force.

But whatever our final assessment of Marx's critique of the division of labor, in the last analysis it still deserves our attention for the simple reason that the "manufacturing" division of labor in Marx's sense survives and in large measure still defines the organization of production in many enterprises today, whether these enterprises, often highly automated and computerized, are regarded, in Marx's terms, as a mere continuation and further development of large-scale industry or as embodying some new stage of industrial evolution. So long as this remains the case, and indeed, so long as debilitating, stultifying jobs remain the fate of many in our society, Marx's analysis of the division of labor will continue to provide an indispensable orientation for emancipatory social theory.

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#### NOTES

1. The *Economic Manuscript of 1861–1863* consists of the nearly two dozen notebooks of material that were to comprise Part 2 of *A Contribution to the Critique of Political Economy*. An extensive extract from them was edited and published as *Theories of Surplus Value*. The notebooks themselves contain a wealth of material on the division of labor, including Marx's very comprehensive survey of the history of its treatment in political economy. Credit is due to Rob Beamish for drawing my attention to the *Manuscript's* significance as a source for Marx's thinking on the division of labor. See Beamish 1992, especially chapter 3.

2. At least not in this sense. On the one occasion that Marx does in fact use a comparable expression ("this division of labor is purely technical" [1977, 546]), it is as a more-or-less parenthetical reference to that body of technical personnel who maintain and repair factory machinery—"engineers, mechanics, joiners, etc." (545).

3. Marx speaks of the division of labor's "evil consequences" in referring to the disutilities noted by Smith.

4. This is not to deny the presence of other lines of criticism. For example, in their early works Marx and Engels also condemn occupational specialization

for creating antagonistic social relations, such as the opposition between particular interests and the collective interest (or between individual interests and those of the community). My claim is merely that the criticisms I identify are Marx's principal grounds for assailing the division of labor, and more or less the only ones found in the later texts (which is also to say, the only grounds that are a constant over the course of his theoretical development). Furthermore, the charges of human impoverishment and socioeconomic disempowerment are, I think, more cogently elaborated than the other lines of criticism. For some interpretations focusing on lines of criticism different from those that I stress, see Avineri 1968 and Conly 1978.

5. Cf. *The German Ideology*: "If the circumstances in which the individual lives allow him only the [one]-sided development of one quality at the expense of all the rest, [if] they give him the material and time to develop only that one quality, then this individual achieves only a one-sided, crippled development" (Marx and Engels 1976b, 262). See also Marx 1977, 470, and Engels, "On the Division of Labor" (an extract from *Anti-Dühring* in Tucker 1978, 719).

6. Cf. Dietrich Rueschemeyer 1986, 11: "The asymmetry of power embodied in the coexistence of different forms of division of labor in society and in the workshop is an essential feature of capitalism."

7. For a discussion of the relevant passages, see Llorente 1998, 204–10.

8. See Form 1980, 148–54. A valuable corrective to Harry Braverman's well-known arguments, Form's review of the historical record reveals that (i) "skilled work has not declined for over seventy years" and (ii) it is not true, contrary to Braverman's theses, that "today's skilled workers are less skilled than they used to be" (149). He also points out that "even before the advent of capitalism and powered machines, most work was unskilled, dull, repetitious, and required little time to learn" (153). See also Francis 1986, chaps. 4 and 5, which show that "there is no general trend, either toward or away from de-skilling" (78), and Lane 1991, 283–87.

9. Green is specifically referring to his conception of what he calls the "democratic division of labor," which he characterizes as "a division of labor designed primarily to empower competent, self-governing citizens, and promote the fulfillment of their human capacities among the greatest possible number of people, rather than to maximize the production of commodities" (1985, 8).

10. Venable actually maintains that Marx and Engels subscribed to "an occupational as well as to a class theory of the determination of human nature." He reconciles these two "theories" by suggesting that, for Marx and Engels, "it is the way men make their living that determines the kind of men they will be, and that it is classes that determine the way in which they make their living" (1946, 146).

To be sure, Marx does not explicitly elaborate or defend these underlying assumptions. At most he offers certain highly general pronouncements, such as his remark (an echo of Smith) that "in principle, a porter differs less from a philosopher than a mastiff from a greyhound. It is the division of labor which has set a gulf between them" (1976, 180).

11. The centrality of these values to Marx's normative orientation is now widely acknowledged. For example, Andrew Levine writes: "For Marx and Mill and the broader traditions they represent, the principal objective of political life is precisely to promote human flourishing by enhancing autonomy and self-realization" (1993, 131, cf. 135). Similarly, Richard W. Miller, who argues that Marx is properly viewed (along with Aristotle) as a "non-utilitarian consequentialist," remarks that "a central concern of Marx's consequentialism, perhaps the most important one, is the promotion of self-control (i.e., control over one's life) and allied goods of dignity, self-expression and mutual respect" (1990, 200). Consider, finally, Jon Elster's assessment: "But Marx himself condemned capitalism mainly because it frustrated human development and self-actualization" (1985, 83).

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# Neoliberalism and Educational Reform in Latin America

Beatrice Edwards

## *Introduction: Summit of the Americas 1998*

In April 1998 the heads of state of thirty-four countries in the Americas met in Santiago, Chile, to identify the issues their governments considered the most pressing in the hemisphere. The Declaration issued by this Second Summit of the Americas identified economic integration and education as two of the highest priorities on the regional agenda.

Globalization offers great opportunities for progress to our countries and opens up new areas of cooperation for the hemispheric community. However, it can also heighten the differences among countries and within our societies. With steadfast determination to reap its benefits and to face its challenges, we will give special attention to the most vulnerable countries and social groups in the Hemisphere.

Education is the determining factor for the political, social, cultural, and economic development of our peoples. We undertake to facilitate access of all inhabitants of the Americas to preschool, primary, secondary, and higher education, and we will make learning a lifelong process. We will put science and technology at the service of education to assure growing levels of knowledge and so that educators may develop their skills to the highest level. (Second Summit of the Americas 1998a)

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The Declaration shows the deep socioeconomic contradictions faced by governments as the 1990s come to a close. Neoliberal economic policies have altered the landscape of production and consumption, but at the same time, acute poverty and stark inequality have spread. Because earlier declarations of this sort promised that these problems would be eliminated or, at the very least, reduced by neoliberal policies, the most recent declaration endorses pulling social sectors—specifically education—into the orbit of neoliberal “reforms.” The Declaration, in requesting the World Bank and the Inter-American Development Bank to support and promote these policies, does not admit that neoliberal economics will neither eliminate nor alleviate poverty. Instead, it suggests that inequality and poverty persist because neoliberalism has not gone far enough. The Declaration and Plan of Action produced by the Summit still attribute to education the power to increase social mobility, improve incomes, and generally raise living standards.

Over the course of the past century, public education has in fact traditionally contributed to reaching this goal in many countries in Latin America. The educational reforms now being implemented, however, are shaped by the same political and economic forces that produced the structural adjustment programs of the 1980s, and consequently they can do nothing to mitigate increasing inequality and impoverishment. Stating the obvious, we can expect neoliberal educational policies to segment and stratify school systems further by applying to them the same market-oriented economic logic that brought on the deepening immiseration seen throughout Latin America since the 1980s.

***Background: Debt, structural adjustment, and public education***

Beginning in the 1970s, Latin American economies negotiated two periods of dramatic realignment: first, the debt crisis of the 1980s and the process of structural adjustment; second, the current period of continuing and growing debt, which until 1994–95 was presented as a period of recovery and consolidation. In general, these years included phases of drastic currency devaluation, elimination of national trade barriers, financial

liberalization, privatization of state functions and parastatal enterprises, and regressive tax reform.

Even before the debt crisis and the realignment of economic forces that ensued, poverty and inequality were deeply embedded in Latin American society. Repeatedly, quantitative comparisons with other regions showed Latin America to have the most skewed distribution of wealth and wages in the world (World Bank 1993). During the shifts that have occurred in the past twenty-five years, however, statistical data show plainly that the income distribution has become more unequal still.

The table shows income polarization by comparing the average incomes of the poorest and richest 1 percent of the region's population. During the 1970s and early 1980s, this difference was systematically reduced. During the ten years after 1985, however, the gap grew to such an extent that the richest 1 percent of the population earned on average 417 times the income of the poorest. The degree of polarization in Latin America, which was already the sharpest in the world in the 1970s, thus increased remarkably during the past fifteen years. Detailed results from the same data source show that the income distribution in the region worsened during the 1980s because the share

of the richest decile substantially increased. Interestingly, income data for the 1990–1995 period show that even the recovery process of the early 1990s was not accompanied by reductions in inequality. In fact, when quintile shares of national income are compared as a measure of inequality, the distribution deteriorated by 6.6 percent during those years. Since the 1980s, then, the gap between the two extremes of the income distribution has been relentlessly growing (Lodoño and Székely 1997).

This was not supposed to happen. Throughout the 1980s and early 1990s, the political justification for the increasing poverty and inequality of the present was the promise of expanded economic opportunity in the future. Privatization was to inspire greater competition and investment through production efficiencies, economic stabilization would attract foreign capital, and trade liberalization would open markets abroad for nontraditional exports. All developments would create economic expansion and therefore stable jobs with respectable wages. Instead, for the period and countries in which data are available, the incidence of poverty increased. Table 2 shows the changing patterns of poverty since the 1970s in Latin America and the Caribbean.<sup>1</sup>

During the 1970s and early 1980s, both the percentage and the incidence of people in poverty declined substantially. By the mid-1980s, however, both “moderate” (\$2 per day) and extreme poverty (\$1 per day) were rising in the region, to a high of 35.2 percent of the population in 1990. Between 1990 and 1995, the positive growth rates and liberalized trade regimes in Latin America did little to improve the prevailing income distribution, while the incidence of poverty, in fact, continued to increase. Further, more refined measures of poverty (Table 1) suggest that the poorest of the poor have not benefited from the tenuous recovery of the 1990s, and that their condition may, in fact, have worsened (Lodoño and Székely 1997; CEPAL 1996).

After the Mexican financial crisis in 1995, the economic situation deteriorated in Latin America. Two other major economies, Argentina and Brazil, were intensely affected. Consequently, both countries consolidated their adjustment programs. During the past few years, Mexico, Brazil, and Argentina have confronted difficult problems imposed by the neoliberal economic model, while some of the other countries of the region managed to maintain a low level of growth. This growth, however, was increasingly vulnerable to collapse and unable to generate appreciable employment opportunities (Riquelme 1997).<sup>2</sup>

At present it is evident that while the neoliberalism promoted by international lending institutions brought prosperity for some, it brought increased poverty for many more, and that this trend will continue. The “unevenness” of development in Latin America, based on historically established structures of dependence and exclusion, permitted the imposition of fiscal austerity measures that seriously injured the poor and the middle class while generously benefiting the already and newly rich. In Mexico, for example, one source shows that the richest 5 percent of the population increased its share of income between 1984 and 1992 from 24 percent to 29 percent. The same source shows that the richest 10 percent of the population in Mexico had 23 times the income of the poorest 10 percent in 1984, and that by 1989 this difference had increased to 33 times the income of the poorest decile. Similarly, the top 1 percent of the population increased its share of the total national income from 9 percent in 1984 to 14 percent

in 1989: “This means that in five years (1984 to 1989) the richest one percent of the population increased its already high share by almost 5 percent of the national income” (Pánuco-Laguette, 1997, 191).

Similarly, in Chile, the country most frequently and completely identified with the structural adjustment policies of the 1980s and the corresponding neoliberal economic policies, this pattern of increasing income concentration is strikingly visible. Between 1978 and 1996, the top decile of the income distribution gained an additional 5.7 percent of national income. Statistics do not allow us to identify what portion of this increase accrued to the families at the very top of the distribution, but anecdotal evidence suggests that it was substantial. Nor do the figures measure wealth, where concentration is even more pronounced.

In historical perspective, it is not surprising to find that socio-economic inequality increased over the course of the past two decades. Violent repression characterized that time in many Latin American countries. During those years, trade unions and agricultural cooperatives were especially persecuted, together with progressive intellectuals and grassroots educators. In many countries, civilian governments implemented neoliberal policies, but only after the national armed forces had demonstrated the high price of opposition. The weakening or elimination of

independent trade unions during this period was probably a decisive factor in the skewing of the income distribution during the 1970s and 1980s. Without effective means of political action and collective bargaining, workers failed to secure increased compensation for increased productivity. Production workers and service employees therefore did not share in the creation of new wealth in the way that capital did.

Nor did they participate in the illegitimate appropriation of borrowed funds. The lack of meaningful democratic institutions allowed corruption on a grand scale, so that in many countries, the military regimes left behind them devastated economies, which successive civilian regimes also sacked. Argentina is a case in point.

The sequence and the structure of economic events in Latin America since the 1970s, therefore, include generalized and violent repression (often in the context of a *de facto* regime), widespread high-level corruption, austerity in social spending, elimination of many lower-level public-sector jobs, privatization of public functions and state enterprises (with its attendant negative impact on public-sector unions), import of labor-saving technology and short-term investment capital, currency devaluation, and regressive tax reform. To address the resulting problems of increasing poverty now, governments are turning to education, but without debating the policies that have most certainly aggravated them.

After all, evolving political alliances and existing social structures have dramatically reduced the maneuvering room of the state and destroyed the legitimacy of large-scale, visible state economic or social interventions that benefit the middle class and the poor. At the same time, representative democratic political systems have been re-established, and advancing science and technology have played an important role in internationalizing production and accelerating consumption. Legitimate political discourse must therefore evidence concern for the general welfare, loyalty to market mechanisms, and faith in the power of technological advance to mitigate social inequities.

Debating the shortcomings and possibilities of education provides a reasonable response to this confluence of issues without

violating any of the new political constraints. Education has long been presented as an instrument of upward social mobility. Vocal political debate about educational reform revives public belief in the possibilities of higher standards of living through access to expanded and improved schooling. Discussion of public and private partnerships in providing broader educational opportunity displays continued allegiance to the efficiency of free markets and competition, and a romanticized view of educational potential closely conforms to an idealized presentation of technological possibilities.

In 1998, then, education became the major political theme at the Second Summit of the Americas held in Santiago, just as trade liberalization had been at the 1994 summit in Miami. During this intersummit period, governments announced their commitment to extending a better and more comprehensive education to all. Nonetheless, educational reforms, as they are currently envisioned and previously implemented, reflect the inequalities of the neoliberal policies that led to them. The educational reforms proposed by governments are largely reproductivist: they provide educational services in such a way as to replicate rather than mitigate social inequalities through succeeding generations. Neoliberal educational reform, in fact, has changed school systems in such a way as to serve the same purpose as before in a more inegalitarian and advanced technological context.

### ***Problems with current educational reform policy***

A review of the policies promoted hemispherically to reform education shows a clear congruence with the explicit objectives and policies of neoliberal economic programs. Consistently, regional analyses produced by the World Bank and the Inter-American Development Bank (IDB) identify the following problems confronting educational systems: lack of responsiveness to changing labor markets; disproportionate allocation of resources to higher education; large, centralized ministries; powerful and well-organized teachers unions that resist reform and decentralization; lack of local autonomy for school managers; lack of parental choice; inefficient administration manifest as



lower-than-necessary student-teacher ratios and unnecessary administrative staff; and the sorry state of the teaching profession in Latin America (Inter-American Development Bank 1996; Puryear 1997). This diagnosis of the shortcomings of educational systems in the region then leads to a series of policy prescriptions that conforms closely to overarching neoliberal economic policies. In its 1996 report, *Social and Economic Progress in Latin America*, the Inter-American Development Bank assigns priority to questions of organizational structure in education, and employs neoliberal analysis and policy prescriptions quite explicitly (Inter-American Development Bank 1996, 288).

The organization of educational systems in Latin America and the Caribbean is important to understand [*sic*] the region's lagging pace of educational attainment. The systems are generally highly centralized, with the government responsible for both financing and direct provision of services. The distance of central offices from local information, along with rigid employment contracts, limited information regarding performance, and few incentives to perform well, leads to many inefficiencies in resource allocation. The current organization of the system locks teachers, unions and governments into conflictual relationships that reward stubbornness and confrontation more than collaboration and increasing productivity. Furthermore, the resulting labor contracts and centralized administration limit the capacity of local administrators and providers to act upon their knowledge of students' needs.

The particular organization of educational systems demonstrates how the activities of the public sector, providers and consumers can lead to poor performance, despite the best of intentions. (Inter-American Development Bank 1996, 297)

The IDB first points to the lack of teacher and administrator accountability for student and system performance, as well as an absence of evaluation mechanisms and academic standards.

Lack of information on the performance of educational systems is a byproduct of the problems of organization. The lack of tests and measurements of cost-effectiveness in some sense is convenient for both administrators of the system and teachers. They thereby remain protected from pressures to be accountable for the performance of the system. Proper management of the educational sector thereby becomes less likely. (Inter-American Development Bank 1996, 288)

The report then suggests that governments should broaden their role in educational financing through more efficient allocation of resources. According to the report, a public monopoly has provided educational services in Latin America for the past three decades or more. The expansion of public school coverage diminished the participation of the private sector in the provision of these services without supplying adequate access to education of sufficient quality. Education, then, has been something like a protected industry in the region, and just as productivity in industry increases when exposed to competition, so also should educational performance. In fact, the IDB's assessment of challenges for the educational sector reads much like its diagnostic studies of the ills affecting state enterprises.

The report points out that decision-making structures are highly centralized and depend directly on public financing from central governments. At the same time, this centralization does not guarantee either adequate service or equity in schooling, according to the IDB. This lack of quality in the "product" of education is a function of the budgeting system, the report argues, which allocates funds based on the cost of inputs rather than on the value of services provided.

This procedure for allocating resources based on their historic supply breaks any link between output and income, and hence service providers have no incentives to increase either the quantity or the quality of their service. Since inputs are received independently of productivity, there are no incentives for a school principal to strive to increase coverage in his or her zone or to improve the

quality of education imparted. (Inter-American Development Bank 1996, 284)

The increasingly dissatisfied assessment of public education hardly mentions cuts in the education budgets over the years as the most probable cause of educational deficits. Instead, the report recommends drawing the sector into the sphere of commercial production and consumption, using the very operational principles that have accentuated poverty and deprivation. This political cul-de-sac is finessed, however, by identifying *other* forces as responsible for the shortcomings of Latin America's public schools and lack of opportunity in its economies. Two actors in the educational process are singled out by the IDB: the fiscally undisciplined state and the teachers' unions.<sup>3</sup> Between the unions and successive permissive governments, according to the IDB, the educational sector has absorbed vast public resources without providing an adequate education, even at the primary level. This financial waste persists because of a lack of competition, and is to be resolved through decentralization of administration and financing, centralization of curriculum control and assessment measures, and fortified links between schools and the labor market. This program is what Michael Apple refers to as neoconservative pedagogy and curriculum, and neoliberal financing and purpose (Apple 1999). The report suggests that teachers and the public service in general are failures, and that "innovations" in education must be developed.

In subsequent sections, the IDB report identifies socioeconomic forces which have been successful during the adjustment period and which, therefore, present the most promising source of innovation and disciplined, efficient management: businessmen. Governments should consult those who have succeeded through competition when they seek to reform education. In this way, U.S. corporations, and U.S. technology firms in particular, become the prime source of educational "inputs," thus gaining direct access to a vast new market for curricula and equipment in the same way that U.S. companies export wheat or pharmaceuticals (Torres 1996, 105–8).

*The impact of dependency and indebtedness*

The broad parameters of educational policy in Latin America, then, are established by neoliberal economists based at the multilateral banks in Washington, D.C., and the specifics of institutional programs are developed by private and often transnational corporations. This is an innovation in itself, and it means the penetration by profit-seeking enterprise not only of the economics of education, but also of the curriculum development, placement, and evaluation processes. The consequence of the entire reform process is, therefore, the opening of an easily dominated, directly accessed, lucrative, and untapped market.

The World Bank and the IDB, which originated the educational reforms in Latin America, have borrowed them from corporate initiatives in the United States. The rhetoric and logic of the policies are designed to appeal to the sensibilities of the U.S. middle class, as Apple and others have pointed out. The possibility of school choice; the reliance on standardized techniques of accountability, measurement, and “management”; the focus on competitiveness and a preoccupation with early advantage are all prominent aspects of the middle-class culture in the United States.

Members of this class are accustomed to making market choices for houses, cars, and vacations, and can adapt their skills to making shrewd choices among educational options. They are schooled themselves in evaluation and management, and have the time and discretionary income to find and take advantage of educational opportunities. Colleges and universities already charge exorbitant fees, and targeted programs for the poor make some sense in the United States, where approximately 80 percent of public schools function at a satisfactory level. In contrast, nearly 50 percent of the population of Latin America are poor, and the poor do not have discretionary income. They cannot make market choices based on the relative merits of investing in their children’s education; they cannot gather and sift through educational information, they cannot send their children to distant schools, because of lack of transportation. Moreover, at least 50 percent of public schools are substandard.

Ironically, although the programs are best suited to the U.S. middle class, when this class expresses its opinion politically, it has consistently rejected both voucher programs and national educational standards. Public education has served the middle class well in the United States, and vouchers threaten to fracture it and drain away financial resources. In Latin America, however, where indebtedness to the multilateral banks continues to constitute a determining factor in defining social policies, adoption and implementation of this entire project are underway, with varying degrees of resistance. For example, Argentina, Mexico, Peru, Chile, and El Salvador are conducting joint studies of their targeted programs in basic education for the purpose of evaluating them and replicating them on an international scale. Governments in Mexico, Argentina, and Ecuador have made repeated efforts to introduce fees into public institutions for higher education. In Chile, one-third of schools are now private voucher schools. The MERCOSUR countries have adopted a common curriculum for secondary technical-vocational education and are designing regional assessment standards. Argentina has decentralized educational financing and administration.

Further, these policies are prejudicial to the interests of the middle class (as well as the poor) in Latin America, which has enjoyed access to higher education with the expansion of free public universities since the 1960s, and which can ill afford either private schools or the fees increasingly associated with private voucher schools. Further, internationally compatible diplomas and curricula facilitate the movement of capital from one country to another as it searches for an ever-cheaper labor force, making stable jobs with decent salaries less and less available. Not surprisingly, these are unpopular policies, but the banks implement them because indebtedness obliges governments—even elected ones—to respond to the demands of multilateral lending agencies rather than to their constituencies.

### ***Who benefits?***

As established, educational reforms provide substantial benefits to capital, and especially international capital invested in information technology. The policies are designed to reduce

dramatically the expenditures of the public sector not available for private profit making. On 8 October 1999, the Inter-American Development Bank sponsored a seminar entitled simply "Ten Billion Dollars of Business Opportunities in Latin America and the Caribbean. Education and Health." The promotion reads as follows:

*Who should attend?* Equipment manufacturers, goods suppliers, works and construction contractors, independent consultants, and consultants from universities, think tanks, NGOs and other institutions.

*Why should you attend?* To learn what types of projects the IDB is financing in these sectors; how your company can take advantage of the opportunities; and about the IDB's procurement procedures.

*Topics include:* Education system reform, promotion of quality basic education, pupil assessment, financial and economic analysis and reform, education and technology, vocational education and training, public/private partnerships, administration of the education system and the role of the public sector, special needs in education, distance education, special education, early education and bilingual education, health care management, health sector reform, medical insurance, service delivery issues, disease prevention, infant and maternal care, child care, care for the elderly, and nutrition.

Through its loans, the banks can direct Third World economies and enforce strict control, not only of their loaned resources, but also of the country's own investment. Access to this lucrative new market in education (and in health) brings extraordinary benefits to capital, which must continually open new markets in order to avoid the ever-present threat of falling profit rates.

We have already cited the figures showing the increasing concentration of wealth in Latin America, but the same pattern holds for the United States, where less than 1 percent of the population owns nearly 50 percent of the wealth. The 1990s have been a decade of impoverishment for the middle class of Latin

America, increasing exploitation of the U.S. middle class, and increasing wealth for the very privileged few. Meanwhile, the poor have suffered even more intensely, and their numbers have grown.

### ***Conclusion***

After five decades of attempts to deal with poverty and inequality, both phenomena remain, in the language of the banks, an inexplicable mystery which must be “fought” through market-oriented programs presented as reforms. As the market penetrates additional social sectors more deeply, however, poverty spreads and worsens. Its causes still remain mysterious to those who prescribe its cure. A lack of education is to blame, or too many children, malnutrition and ill-health, delinquency, and drug abuse. But all of these failings are dialectically related to poverty, being caused by it, and in turn perpetuating it.

The commodification of production, and the concentration and centralization of wealth, *create* poverty and social disorganization. This process is universal, and although universality creates a certain blindness to alternatives, it is consequently impossible to *fight* poverty through increasing commodification, concentration, and centralization. Programs that purport to do so are naïve on the one hand and disingenuous on the other. Nonetheless, the high-level Declarations continue to issue forth. While the Declaration from the Summit of Santiago commits the governments to improving education and broadening its availability, the Plan of Action from the meeting is more circumspect about social reality.

We, the Heads of State and Government, recognizing the cardinal importance of education as a foundation for development, agree, in accordance with our respective legislative processes, to promote allocation of the resources necessary for educational expenditure with a view to attaining greater levels of equity, quality, relevance and efficiency in the educational processes, *emphasizing the optimal use of resources and a greater participation of other social actors* [emphasis added]. (Second Summit of the Americas. 1998b)

In other words, educational resources will be allocated through targeting and privatizing services, at the same time that standards of academic and teaching performance will rise. In order to become competitive, governments endorse higher academic standards, while they simultaneously limit public contributions to the educational sector. "Demanding higher levels of achievement without providing support to teachers and students to meet them will result in fewer students acquiring the educational credentials that ration economic mobility and rationalize increased social and economic stratification" (Weiner 1998, 193).

If educational reform is truly to address the deepening poverty brought on by globalization, policies cannot be confined to privatizing services, targeting the extremely poor for temporary compensations, raising performance standards, and soliciting financial contributions from individuals. Instead, such policies must address the well-known and well-documented problems of social inequality both inside and outside the school that prevent children from learning.

*Washington, D.C.*

## NOTES

1. Caribbean countries included in the aggregate measures are Jamaica, the Bahamas, and the Dominican Republic.

2. In October, 1999, the economy of Ecuador did in fact collapse, and the government suspended payment on the Brady bonds to its foreign creditors.

3. In reality, the average public school teacher in Buenos Aires earns about \$300 monthly, while the basket of goods required to maintain a family of four above the poverty level costs \$1500. A teacher working two shifts, therefore, would make well under half of the minimum income for a four-person household.

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# Karl Yoneda and Japanese American Resistance

John Streamas

In September 1999 the Peace History Society awarded its biennial Charles DeBenedetti Prize in Peace History to Robert Shaffer for his article in *Radical History Review* arguing that, contrary to charges made by most historians, the American Left did significantly protest and oppose the evacuation and incarceration of Japanese Americans during World War II. The prize committee's citation ends in these two sentences on Shaffer's celebration of "left-liberals":

Although these groups were not successful in preventing or rescinding the internment, Shaffer convincingly shows that their community organizing on behalf of interned Japanese Americans was significant nonetheless. Prodigiously researched and carefully balanced, Shaffer's article honors the "creative spirit of resistance" amidst the prevailing racism and militarism of the war years.<sup>1</sup>

To honor Shaffer's article is to confer authority on Shaffer's repudiation of standard histories of Japanese Americans' wartime experience. Most seriously repudiated is historian Roger Daniels, who is named only in explanatory footnotes but who is nevertheless the target of two salvos. One is Shaffer's charge that projecting "racist aspects of Progressive era ideology forward into the New Deal and the World War II era"—Daniels certainly implies such a projection, though Shaffer makes too

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much of the chronological fact that Daniels's study of Progressive-era campaigns to exclude Japanese precedes his study of the evacuation and incarceration—"simply does not do justice to the growing rejection of racism in the intellectual and liberal communities in the 1930s and 1940s" (Shaffer 1998, 107, 119). Perhaps less serious but more curious is Shaffer's second charge, a response to Daniels's claim that historians, having focused their attention on analyzing the mechanics of evacuation and excoriating its engineers, must now focus more squarely on Japanese Americans' own ways of coping with and responding to their imprisonment: "This necessary focus on the oppression and struggles of Japanese Americans themselves," writes Shaffer, "should not lead historians to overlook those other Americans who supported this persecuted minority during the war" (110).

An irony in Shaffer's revisionism is that it comes as Japanese Americans argue among themselves over their individual and communal responses to their wartime experience. The July 1999 broadcast of Emiko Omori's documentary film *Rabbit in the Moon* provoked angry demands from many former internees—especially among the Japanese American Citizens League (JACL) and Nisei (second-generation Japanese Americans, U.S. citizen) veterans—for airing more "balanced" and "representative" views. Much of the film tells the story of Japanese American resisters, especially the "no-no boys." (Another documentary film, Frank Abe's forthcoming *Conscience and the Constitution*, will examine draft resistance in the Heart Mountain camp in Wyoming.) The "no-no boys" said no to two critical questions of the "loyalty oath" by which the federal government aimed to determine Nisei fitness for military service. They were a small minority of all Japanese Americans responding to the questions, but surely others held back from saying no, fearing deportation to Japan and government reprisals against their families, or fearing threats of violence by accommodationist internees. Warring factions in the camps included the fiercely pro-Japan "Black Dragons" and the fiercely pro-U.S. (and accommodationist) JACL. Violence flared, and many felt the threat of violence. Tensions were serious enough to prompt the

War Relocation Authority (WRA) to reserve the Tule Lake camp for perceived troublemakers.<sup>2</sup>

But neither of the opposites represented by the Black Dragons and the JAACL comprised the resistance of a Japanese American Left. This is why we must not assume that all pro-Japan nationalists were “no-no boys” or that all “no-no boys” opposed the United States. Rather, the typical “no-no boy” is depicted not as someone who supported the Axis armies at all, but as someone who wanted to test U.S. policy against constitutional principle. In fact, several draft resisters claim that they would gladly have served in the U.S. army if the government had honored their constitutional rights. Their resistance is therefore a contingency of their particular wartime situation, not necessarily a lasting commitment to a Japanese American Left.

A more useful index to Japanese American resistance may be discovered in the years before the war. Historians agree that the racial community’s place in the U.S. economy was unstable, subject to manipulation against other immigrant communities, to exclusion policies, and to laws prohibiting landownership to the immigrant Issei generation. These various racial oppressions militated against the sustaining of organized political activity, so that, for example, the Oxnard Sugar Beet Workers’ strike of 1903, uniting Mexican and Issei laborers, represented both a remarkable triumph over California agribusiness but also an end to the union that achieved it. For when Samuel Gompers expressed a willingness to grant an AFL charter to the Japanese-Mexican Labor Association only if it excluded Asian members, J. M. Lizarras of the Mexican branch declined the provisional offer, whereupon the union, writes Tomas Almaguer, quietly vanished (1994, 202). Racial differentials were being created and transformed so that various subject communities were manipulated by, and manipulated against, each other (203). Convergences were too infrequent; yet, as the Oxnard strike demonstrates, they could be exercised, even if only briefly, in the service of solidarities.<sup>3</sup>

The standard historical simplification reports that Japanese immigrants followed Chinese by ten to twenty years to perform the same kinds of labor and to suffer similar racist oppressions,

but that they exploited both early loopholes in exclusion laws to lure “picture brides” and later loopholes in “alien land laws” to confer ownership of land on their U.S.-born children.<sup>4</sup> This standard story makes much of the fact that Japanese immigrants succeeded so well in California agribusiness that, two decades into the century, although they owned only one percent of agricultural lands, they controlled ten percent of agricultural profits (Daniels 1981, 7). But it was not only the few owners such as “Potato King” George Shima whose relative triumphs were resented, for, as Almaguer reports, Japanese by 1909 accounted for 85 percent of laborers in the California sugar beet industry (1994, 185). After initially underbidding “Chinese, Mexicans, and the few white workers in the industry,” they would demand higher wages and “were willing to resort to strikes or work slowdowns to secure these demands” (185). Japanese contractors and small farmers also manipulated the system to gain competitive edges, so that throughout the agricultural economy Issei success, though circumscribed, evoked resentment.

The standard story dwells perhaps too much, however, on the threat perceived by white agribusiness, which had the power if not the ingenuity to try to legislate racist revenge, and too little on the threat realized by other farmworkers, who were relatively powerless. For all those Chinese, Mexican, and white workers, underbid by the Issei, were left poorer or even jobless. This situation was exacerbated when, as Karl Yoneda reports, Japanese participated in scabbing (1976, 6). Issei were thus peculiarly situated to embody the lure and threat of racial differentials. At all levels of California’s agricultural economy, they enjoyed a circumscribed access to power and profits that, when exploited, too often positioned them precariously above other oppressed communities and precariously below the agricultural establishment. This seemed to construct a provisional Japanese American “exceptionalism” that extended, in reverse, even into the war, for in the weeks after the bombing of Pearl Harbor the federal government and the popular press advertised the ease by which friendly and trusty Chinese Americans could be distinguished from sinister Japanese Americans.

This is why the unifying work in the 1930s of Japanese American activists such as Karl Yoneda, underreported in standard histories, is significant. Yoneda was a Kibei, born in the U.S. to immigrant parents and educated mostly in Japan. But unlike those Kibei who during the wartime incarceration were rightly suspected of harboring fiercely pro-Japan loyalties absorbed in their Japanese education, Yoneda learned in Japan to distrust imperial authority. In his school days there, he participated in a newspaper carriers' strike and in a student strike "against a dictatorial dormitory supervisor" (Yoneda 1983, 8). Recruited for the Imperial Army, he left Japan and returned to the United States. In California he resumed his labor activism and in 1927 he joined the Japanese Workers' Association and the Communist Party (15–17). A 1976 biographical note to his pamphlet *A Brief History of U.S. Asian Labor* summarizes his work from the 1920s:

He was editor of *Rodo Shimbun*, Japanese organ of the Communist Party, U.S.A., from 1933 to 1936. In 1934 he was the Communist Party candidate for San Francisco's 22nd Assembly District seat, the first Asian to run for a State office. He became a longshoreman in 1936 and was an active member of ILWU Local 10 until retirement in 1972; since then he has been active in the ILWU San Francisco Bay Area Pensioners Club. (Yoneda 1976, 2)

Yoneda himself fleshes out details of his life's work in the flat, modest tones of his autobiography *Ganbatte* (1983). A fuller and deeper sense of this work may be gleaned from *The Red Angel*, Vivian McGuckin Raineri's biography of his wife, whose own work for justice equaled his: "Elaine Black Yoneda was a remarkable woman whose contribution to labor and civil rights in the 1930s, mostly in San Francisco, establish her place in labor and Left history" (1991. ix). Raineri acknowledges the significance of these contributions after the 1930s, but her biography of Elaine, like Karl's autobiography, devotes its greatest attention to the work of that decade. The attention is warranted, for Karl and Elaine were in the front ranks of the

most significant organizing and action in California during the 1930s. In his autobiography and in his brief histories, Karl Yoneda is quick to note the racial and ethnic composition of the most vigorous unions. The San Francisco AFL Alaska Cannery Workers Union, for example, included “2,000 Mexican, Spanish, Chinese, Filipino, Puerto Rican, Japanese, Black, white and other members” (1976, 10). When the union affiliated with the CIO in 1937, its first three vice-presidents were Japanese, Chinese, and Filipino (10). Underlying Yoneda’s writings is a suggestion that the standard history, while rightly recognizing differences between Japanese Americans and other subject racial/ethnic communities, underreports similarities and solidarities. While there was no immigrant Chinese, Filipino, or Mexican “Potato King,” still the existence of a Japanese one proves the construction only of racial differentials, not of Japanese American exceptionalism. Urged by an awareness of similarities, the International Longshoremen’s and Warehousemen’s Union was, write Philip S. Foner and Daniel Rosenberg, “one of the few organizations that stood by its Japanese members in face of the legal harassment and mass evacuation following Pearl Harbor” (1993, 166). Not even the Communist Party can make this claim, as on the day after the bombing of Pearl Harbor it announced that “all members of Japanese ancestry and their spouses—Japanese and non-Japanese alike—were thereupon summarily suspended from party membership in the interests of ‘national unity’ and ‘national security’” (Raineri 1991, 182). The racial differentials that had artificially distinguished Japanese immigrants in the first three decades of the century had begun to fade with the unifying work of activists such as Karl Yoneda and Elaine Black Yoneda, then the onset of war restored and reconfigured them. But the history of these differentials must be grasped before any sense can be made of Japanese American resistance in the camps.

Relegated to a mere sentence in *Ganbatte* is a fact that explains the nature of Yoneda’s wartime politics. Repelled by Japan’s fascism, Yoneda publicized in 1932 his desire to renounce his Japanese citizenship, and in 1935 his renunciation was granted (121). Years later, as he languished in the Manzanar



prison camp, he was described in a memo by FBI director J. Edgar Hoover:

Yoneda is one of those rare individuals who is of Japanese descent, but is open and avowed in his Communist sympathies and anything but in sympathy with the present militaristic regime in Japan. Yoneda is the San Francisco representative of the Japanese language newspaper *Doho*, an allegedly Communist inspired publication, the editorial policy of which links Germany, Italy, and Japan as the Fascist forces which this country is dedicated to overcome. (Yoneda 1983, 130–31)

Such eagerness to overcome fascism was so strong in Yoneda and other Japanese American Communists that they suppressed their hurt and anger over their suspension from the party.

We decided that this was not the time to register a protest against the unwarranted suspension. Our urgent priority was to help carry out the Party campaign: “Everything for victory over worldwide fascist slavery.” In our case, the task was to help smash Japan’s fascist-imperialists who were knocking at our very door! (1983, 116)

When enlistment became possible—that is, when the federal government and military dropped their racist objection to Japanese American participation—Yoneda enlisted in the army’s Military Intelligence Service. Sent eventually to India, Burma, and China, he wrote propaganda designed to persuade Japanese soldiers to surrender.

As a Nisei—thus a citizen of the United States—Yoneda was able to enlist. Some immigrant Issei also served in the Pacific front, in the work of psychological warfare commissioned by the Office of Strategic Services. Howard Schonberger reports that perhaps fifty-five Japanese Americans, mostly Issei, worked for the OSS (1990, 23). Issei were by law not allowed to become U.S. citizens, and their work for the OSS risked their Japanese citizenship (Schonberger 1990, 23). Their political and legal status was even more unstable than Yoneda’s, yet they shared

Yoneda's political beliefs; "OSS Nikkei were drawn in disproportionately large numbers from the political left" (25). In fact, the OSS director, General William "Wild Bill" Donovan, together with "his staff of Wall Street bankers and lawyers vigorously recruited leftists throughout OSS, especially Communists. Communist Party leaders, in turn, urged members to join OSS" (25). The propaganda campaign needed Japanese Americans who knew the Japanese language. As many Kibei and Issei were loyal to Japan, the pool of linguistically proficient Japanese Americans who would work for the OSS was very small, and among these few the Communists had most clearly distinguished their opposition to fascism (25). After the war, Yoneda discovered that some of these OSS workers were familiar figures, such as "Paul Kochi (1889–1980), an Okinawan activist who was later to face deportation charges for having been a Communist" (1983, 162). Schonberger reports that, after the propaganda campaign began, Issei workers struggled with OSS managers over strategy and procedure. Led by Party activists such as Joe Koide, they listed demands by which they might exert more control over the propaganda and its dissemination, and they even won themselves a "merit pay system . . . that reduced the gap between Caucasian and Nikkei salaries" (1990, 28–29). Moreover, they expressed their anxieties over the news of the fire-bombing in 1945 of major Japanese cities (30–31).

Schonberger proposes a new understanding of Japanese Americans' wartime loyalty, an understanding beyond mere assumptions that most Issei and Nisei were not spies for Japan and that Nisei draft resistance was often contingent upon "fear of punishment in Japan or the U.S., the practical demands of income and property, the complexity of family ties, and prior experiences of racism in the U.S." (33–34). Schonberger believes that such assumptions define loyalty in legalistic terms, and that the Japanese American leftists who resisted through and within the OSS earned not only good salaries but also a forum for "expressing their commitments to political ideology, political party," and "a political conception of loyalty that emphasized saving the Japanese people and culture from destruction and creating a democratic post-war world" (34). In other words, these

leftists defined loyalty in terms of a social justice that would not capitulate to institutionally sanctioned racial differentials.

But if this left brand of loyalty is a function of social justice, then can Japanese American wartime resistance be defined simply as opposition to injustice? The problem here is that Japanese Americans in the camps faced many injustices from many sources. Karl Yoneda and other Communist Issei and Nisei boldly targeted Axis-power fascism as the exclusive focus of their wartime energies, and surely they were right to do so, but can the Heart Mountain draft resistance be rightly diminished for its stand against U.S. racism? Moreover, even the conservative and accommodationist JACL fought the Black Dragons and lobbied for the chance to fight, and so how must history account for the fact that their motives differed radically from those of the leftists? The temptation is to regard all of these resistances as failures: after all, many OSS Communists were harassed or even deported during the Cold War, the fire bombs and atomic bombs devastated Japan, and postwar U.S. culture domesticated Japanese Americans so that they came to represent not the threats of disgruntled farmworkers or land-grabbing farmers but the smiling face of an upwardly mobile “model minority.” What really happened, however, was that Japanese Americans occupied after the war a *different* place on the map of racial differentials. If resistance never achieves complete justice, then its success must be measured in its continuing vigorous existence, as in the decades of the postwar work of Karl Yoneda and Elaine Black Yoneda, campaigning against racism, the Vietnam war, and nuclear weapons, and supporting workers, political prisoners, and former Japanese American internees’ demands for redress and reparations.

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#### NOTES

1. Cited by the editors of the Discussion List on Radical Approaches to History. 20 Sept. 1999 <h-radhist@h-net.msu.edu>.

2. The standard histories of Japanese Americans' wartime experience still include, for all of Shaffer's correctives, Daniels 1981 and Weglyn 1976. Daniels also provides the best brief introductions in Daniels 1993 and in a chapter in Daniels 1988. Various aspects of the experience are discussed in the papers gathered in Daniels, Taylor, and Kitano 1991. As Shaffer demonstrates, several studies exist of non-Asian individuals and groups who helped internees during incarceration, especially churches that helped Japanese Americans resettle outside of camps and lawyers defending Japanese Americans who challenged orders of evacuation or curfew; but few concern active resistance in early 1942, immediately after Executive Order 9066 authorized evacuation, when such resistance might have been most effective. Gary Okihiro's recent *Storied Lives: Japanese American Students in World War II* (1999) celebrates non-Japanese educators and churches who helped Nisei students settle into colleges in the East and Midwest; but the caution in his introduction, against trusting too much in what Frank Chin calls "white racist love," suggests that he would not heartily embrace Shaffer's argument. Finally, both of the cited films maintain related Web sites: Omori's is accessible through the Public Broadcasting System's site <[www.pbs.org](http://www.pbs.org)>. Abe's <[www.resisters.com](http://www.resisters.com)> provides documents related to the Heart Mountain resisters and monitors the Japanese American community's internal struggles for the dominant interpretation of the incarceration.

3. The best histories of immigrant Japanese are Ichioka 1988 and Daniels 1962. As for the Oxnard strike, Almaguer's chapter-length study (1994) appears to be the most extensive history.

4. Almaguer writes that "Japanese immigrants faced the same rigid racial and ethnic stratification of the labor market as did the Chinese":

They found employment opportunities severely limited in California. Outside of agriculture, these immigrants were restricted to backbreaking jobs as laborers on the railroads, in construction trades, and in the canning and lumber industries. A few also found employment in the mining of coal and ore, smelting, meat packing, and the salt industry. Facing open hostility from the white trade-union movement, only a small percentage of the Issei secured employment in urban manufacturing, primarily in the boot and shoe, clothing, and cigar-making industries. The majority of the Japanese immigrants living in urban areas made their living either as domestics (principally as house servants and gardeners) or as self-employed small entrepreneurs (restaurateurs, merchants, boarding-house keepers, and grocery store operators) catering to the Issei. (1994, 184–85)

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## ABSTRACTS

**Al L. Sargis, “Ideological Tendencies and Reform Policy in China’s ‘Primary Stage of Socialism’”**—The author reviews some theoretical points of post-Mao Chinese Marxism that continue to provide a framework for socioeconomic organization and policy in present-day China. He identifies the principal ideological tendencies—and their social bases—that are now struggling for ascendancy.

**Erwin Marquit, “Popular Democracy in Socialist Society”**—Concern is sometimes expressed that in a future socialist United States the people would lose rather than extend democratic rights already won through mass struggles. To win broader support for socialism, it is necessary to overcome this perception and show the possibility of establishing structures that would assure working people ultimate control over the means of production and the distribution of its products. The general principles for such democratic governance are outlined.

**Scott Marshall, “Prospects for Unity in the World Communist Movement”**—The author participated in several recent international gatherings of Communists as a representative of the Communist Party USA. Drawing on these experiences, he describes efforts underway in Russia and internationally to rebuild a united Communist movement.

**David Michael Smith, “Ten Theses on the Future of Socialism”**—The author argues that the socialist revolutions and the founding of socialist states in the twentieth century were extraordinary historic achievements. These events demonstrated that capitalism and imperialism can be overthrown, and that new states and new societies can be created to advance the interest of the people rather than the exploiting classes. Drawing upon the successes and failures of these revolutions, the author presents principles for guiding future attempts at socialism.

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**Martin Orr, “Emergence of ‘The Lone Superpower’: Implications for Exploitation, Repression, and Resistance”**—The author argues that the emergence of the United States as the dominant capitalist nation in the world established it as the only superpower in the aftermath of World War II. He maintains that it is a mistake to consider the Soviet Union, in the period from 1945 to 1991, as an opposing superpower to the United States. The implications of this history for exploitation, repression, and resistance are addressed.

**Evelyn McConeghey, “Focusing the Class Struggle on Eliminating Capitalism”**—The extraction of profit from debt creation, the continual replacement of technologies of production, and the extraction of extra profit through price manipulation should not disguise the fact that labor is the source of all capitalist profit. The focus of Marxist critique is more appropriately directed against this system of profit than against the individuals participating in its extraction.

**Greg Godels, “The Birth and Death of Exploitation Theory: Can the Idea of Exploitation Be Saved from John Roemer’s Critique?”**—Although John Roemer and the Analytical Marxists restore the idea of exploitation to a central role in the thought of Marx, they construct a theory that accounts for exploitation in terms of the idea of inequality. If Roemer’s argument were to prevail, the idea of exploitation would collapse into liberal social theory, a most agreeable result for those seeking to reshape social democracy into some kind of “third way.” Roemer’s taming of exploitation would support the new breed of social democrats who link the advancement of working people to equal opportunity and the “fair” operation of the market.

**Renzo Llorente, “Marx’s Critique of the Division of Labor: A Reconstruction and Defense”**—Marx condemned the inegalitarian social stratification and the detriment to individual welfare attending certain patterns of occupational specialization. He noted specifically the fundamental distinction between the “social division of labor” and the “manufacturing division of labor,” attributing to the latter what can be termed human

impoverishment and socioeconomic disempowerment. Recent empirical studies corroborate Marx's claims.

**Beatrice Edwards, "Neoliberalism and Educational Reform in Latin America"**—The neoliberal policies imposed on Latin America by the World Bank and the Inter-American Development Bank have deepened the acute poverty in Latin America. The same market-oriented economic logic is now being imposed on public education and can only worsen the wide social disparities between the rich and the impoverished.

**John Streamas, "Karl Yoneda and Japanese American Resistance"**—Popular readings of World War II maintain that Japanese Americans quietly acquiesced in their evacuation and incarceration, and that resistance in the camps was infrequent and ineffective. A truer definition of resistance begins before the war, in such activism as the Oxnard sugar-beet strike and the organizing activities of Karl Yoneda. In the camps, the Japanese American Left did not oppose the draft, but enlisted in what Yoneda called a fight against "fascist-imperialists."

#### ABREGES

**Al L. Sargis, «Les tendances idéologiques et la politique de réforme dans «l'étape primaire du socialisme» en Chine»**—L'auteur passe en revue quelques points théoriques du marxisme chinois post-Mao qui continuent à fournir un cadre pour l'organisation et la politique socio-économique en Chine de nos jours. Il identifie les tendances idéologiques principales et leurs bases sociales qui sont en train de lutter pour l'ascendant.

**Erwin Marquit, «La démocratie populaire dans la société socialiste»** — On exprime quelquefois le souci que, quand les Etats-Unis seront devenus socialistes, le peuple perdrait les droits démocratiques déjà remportés par les luttes populaires, au lieu de les étendre. Pour attirer un soutien plus large pour le socialisme, il est nécessaire de surmonter cette perception, et de démontrer qu'il est possible d'établir des structures qui

assureraient aux ouvriers le contrôle ultime des moyens de production et de distribution de ses produits. L'article esquisse les principes généraux d'une telle maîtrise démocratique.

**Scott Marshall, «Les perspectives pour l'unité dans le mouvement communiste mondial»** – L'auteur a participé à plusieurs réunions internationales récentes de communistes, en tant que représentant du Parti Communiste des Etats-Unis. En se référant à ces expériences, il décrit les efforts actuels en Russie et dans d'autres pays, pour reconstruire un mouvement communiste unifié.

**David Michael Smith, «Dix thèses sur l'avenir du socialisme»** – L'auteur soutient que les révolutions socialistes et la fondation des états socialistes au vingtième siècle étaient des réussites historiques extraordinaires. Ces événements démontrèrent que le capitalisme et l'impérialisme peuvent être renversés, et que de nouveaux états et de nouvelles sociétés peuvent être créés pour faire progresser l'intérêt du peuple, au lieu des classes exploitantes. En analysant les succès et les échecs de ces révolutions, l'auteur fournit les principes pour guider des tentatives futures de construire le socialisme.

**Martin Orr, «La naissance de «la seule superpuissance» : Implications pour l'exploitation, la répression et la résistance»** – L'auteur soutient que l'émergence des Etats-Unis comme la nation capitaliste dominante du monde les a établis comme la seule superpuissance après la deuxième guerre mondiale. Il constate que, dans la période de 1945 à 1991, l'Union Soviétique a été considérée à tort comme une superpuissance opposée aux Etats-Unis. Il discute les implications de cette histoire par rapport à l'exploitation, à la répression et à la résistance.

**Evelyn McConeghey, «Concentrer la lutte des classes sur l'élimination du capitalisme»** – L'extraction de profit à partir de la création de dette, du remplacement continu des technologies de production, et l'extraction d'un profit supplémentaire par la manipulation des prix, ne devraient pas masquer le fait que la main d'œuvre est la source de tout profit capitaliste. Pour plus de



pertinence, la critique marxiste doit se diriger contre ce système du profit, plutôt que contre les individus qui participent à son extraction.

**Greg Godels, «La naissance et la mort de la théorie de l'exploitation : Peut-on sauver l'idée de l'exploitation de la critique de John Roemer?»** – Bien que John Roemer et les marxistes analytiques rétablissent l'idée de l'exploitation dans un rôle central dans la pensée de Marx, ils construisent une théorie qui explique l'exploitation en termes de l'idée de l'inégalité. Si l'argument de Roemer prévalait, l'idée de l'exploitation s'effondrerait dans la théorie sociale libérale, un résultat très agréable pour ceux qui cherchent à refaçonner la démocratie sociale en un quelconque «troisième chemin.» L'appriovissement de l'exploitation d'après Roemer soutiendrait ce nouveau type de démocrates sociaux, qui mettent l'avancement des ouvriers en rapport avec l'égalité des chances et un fonctionnement «juste» du marché.

**Renzo Llorente, «La critique de la division du travail par Marx : Une reconstruction et une défense»** – Marx a condamné la stratification sociale inégale et le manque de bien-être individuel qui accompagnent certains modèles de la spécialisation occupationnelle. Il a remarqué en particulier la distinction fondamentale entre la «division sociale du travail» et la «division manufacturière du travail», en attribuant à cette dernière ce que l'on peut nommer l'appauvrissement humain et l'absence de pouvoir socio-économique. Des études empiriques récentes confirment les affirmations de Marx.

**Beatrice Edwards, «Le néolibéralisme et la réforme de l'éducation en Amérique latine»** – Les politiques néolibérales imposées à l'Amérique Latine par la Banque Mondiale et la Banque du Développement Inter-américain approfondissent la pauvreté aiguë. La même logique économique marchande est maintenant imposée à l'éducation publique, et ne peut qu'aggraver les grandes disparités sociales entre les riches et les pauvres.

**John Streamas, «Karl Yoneda et la résistance japonaise-américaine»** – Une manière populaire de voir la deuxième

guerre mondiale soutient que les Américains d'origine japonaise acquiesçaient silencieusement à leur évacuation et incarcération, et que la résistance dans les camps n'était ni fréquente ni efficace. Une définition plus réaliste de la résistance commence avant la guerre, dans les activités comme la grève dans les champs de betteraves à sucre à Oxnard, et dans le travail d'organisation de Karl Yoneda. Dans les camps, la gauche japo-américaine ne s'opposait pas à la conscription, mais se ralliait à ce que Yoneda nommait une lutte contre les «fascistes-impérialistes».