

# Causes of the Crisis of Socialism

Linda Burnham

The socialist project is battling for its life and its survival is not at all assured. Those of us in the U.S. who have engaged in the movement for social justice from a socialist perspective – be it democratic socialist, Marxist, Marxist-Leninist, Christian socialist, whatever – have an enormous stake in the outcome of the present turmoil. At stake is the shape of the world to come and, more particularly, the shape of the struggle for social justice in the U.S. Given the crisis in socialism, what will be the political, ideological and theoretical context for that struggle?

It is very gratifying to see so many of you here to engage in discussion of the knotty, complex, difficult questions facing not only all socialists, but all those interested in social and economic justice, gender and racial equality.

The opportunity we have here today, to come together and discuss the incredible transformations we have witnessed over the past five years – and especially the events of 1989-90 – does not come often. It is particularly noteworthy that the crisis in socialism has provided the impetus for socialists of very different stripes to come together and begin a dialogue about the future of socialism. Hopefully the workshops that follow this plenary will generate a lively and healthy exchange of opinions among those coming out of different trends but with a common interest in the future of socialism.

Presumably it has become obvious to everyone that socialism is in a severe, prolonged and multi-dimensional crisis. This fact – confirmed by daily events that come screeching off the front pages of our newspapers – was not so evident just a few short years ago.

In the period following Gorbachev's ascendancy in 1985, the most striking phenomenon, at least superficially, was his enormous initiative and drive – his ability to set the tone and agenda in international relations and break out of the Cold War stalemate. His “new way of thinking” about deideologizing state to state relations and encouraging a climate of dialogue opened up possibilities for peace and a retreat from the nuclear brink that were both welcome and unforeseen.

On the Soviet home front, a few short years ago, glasnost and perestroika were presented as a corrective – the basis for social renovation and renewal. A radical and overdue corrective, to be sure, but not, as has turned out to be the case in Eastern Europe, the opening for the restoration of capitalism. It

appeared that socialism had accumulated a thick overlay of negative features that needed some scraping off.

But the fact that Gorbachev was initiating a social revolution – with the massive social turmoil that implies, events outstripping the capacity of even the most skillful strategists to anticipate, shape and constrain them, the tumbling interplay of events from one country to the next as the people of one nation drew inspiration from those of another – this we could not and did not foresee. Indeed, the events of the past several years have been so mind-boggling and overwhelming that it might seem fruitless to try to set about discussing them in the relatively short time we have here today. Certainly that's how I felt in trying to prepare this presentation. With events in the Soviet Union and Eastern Europe moving so quickly, conclusions reached today are outdated and superseded tomorrow.

Then too, apart from political differences of opinion, some of you have only a general idea of the character of the crisis in socialism and others of you follow events in the socialist world the way some people follow soap operas: you know all the characters, major and minor, the twists and turns of plot, details of the daily dramas. I am not going to attempt to give an even-handed picture. All of you know of the advances of socialism in health care, literacy, industrialization, the provision of a broad social safety net for the whole population. But it is not the considerable achievements of socialism that have precipitated this crisis.

As the socialist system has collapsed in Eastern Europe and settled into a state of prolonged crisis in the Soviet Union, what were once considered fundamental principles of Marxism or Marxism-Leninism have been dismissed as dogmatic perversions of socialist ideals – or at least put up for careful scrutiny. For every aspect of the socialist crisis that is played out in “real life,” a score of questions of theory are raised.

The crisis itself is economic, political, social, ideological (both philosophical and theoretical), organizational and spiritual. I've only got a few minutes up here and you all only have about an hour and a half in your morning workshops so there's no way to address all of these aspects of the crisis in socialism – in the Soviet Union and in the very distinct countries of Eastern Europe – in any depth. Yet it is important to note, at least in a general sense, what the socialist promise was, what the crisis has revealed and the theoretical issues stirred up. I'll do so focusing on economic and political elements of the crisis.

### **Economic Crisis of Socialism**

It is in the economic realm that the socialist crisis has proven most intractable – particularly in the Soviet Union. Whereas glasnost has begun to take hold in the form of sweeping constitutional and electoral reforms, the deep-seated problems of the Soviet economy may yet be Gorbachev's undoing.

And, of course, it was in the economic sphere – in the first place – that socialism was to prove itself superior to capitalism. In the broadest strokes, the story went something like this:

1. That capitalist society is characterized by a contradiction between the socialized forces of production and the privatized appropriation of wealth.
2. This private appropriation of wealth takes the form of the expropriation, as private profit, of a portion of the value produced by workers.
3. This exploitation of the working class intensifies and results in increasing misery at one social pole and gluttonous wealth at the other.
4. Socialism resolves this fundamental capitalist contradiction by bring the forces and relations of production into harmony with each other, eliminating private appropriation of the social product, making the wealth produced by the working class available to that class according to the principle of “from each according to ability, to each according to work.”
5. That this harmonizing of forces and relations would enable socialism to outstrip capitalism in its ability to improve the standard of living for the broad masses of people.
6. And that the chief mechanism for all this was to replace the anarchy of capitalist production with centralized planning and state ownership and control of industry.

So it went on paper. But what happened in reality? At the level that's most immediate to broad masses of people – the clothes they put on their backs, the food on their tables, the quality of their homes, etc. – socialism has not been able to provide for its people at a level comparable to the advanced capitalist economies of the U.S., Western Europe and Japan. And it is to the standard of living of those economies, not to the developing world, that the citizens of Eastern Europe compare themselves. We may bemoan the adoption of western consumerism and wonder if the Berlin wall came down mainly to facilitate one big shopping spree, but the real point is that the economies of Eastern Europe and the Soviet Union stagnated badly and were not able to make good on their promises.

Looking briefly at the Soviet Union, Soviet economists themselves catalog a host of problems. There has been a major slow-down in the economy from the mid-1960s to today and virtually no growth in the gross national product from 1981 to 1985. There has been an actual decline in production in major economic sectors, including agriculture and transport, a decline in labor productivity, and an enormous waste of resources in extensive rather than intensive methods of production. The economy in general is badly skewed in the direction of heavy industry and basic infrastructure with far to little attention and resources devoted to the provision of consumer goods and services. The decline in the Soviet standard of living is exemplified by the fact that much of the population is poorly housed and housing investment is not keeping up with population growth. Food consumption is not only not near western levels, it is not at levels considered nutritionally acceptable to Soviet health experts. And, there has been a serious decline in health indicators such as adult and infant mortality rates.

The causes for these profound problems are varied and complex. The enormous military expenditures occasioned by the Soviet Union's determination

to maintain parity with the U.S. certainly played their part. But, even more fundamentally, the very mechanism that was to make socialist economic superiority possible – centralized planning – has proven an major impediment to economic growth and innovation.

According to Soviet economic analysts, centralized planning, in the form of the huge bureaucracy that grew up around the command-administrative economy, overrode economic mechanisms with devastating effects. Enterprises with low productivity and shoddy products stayed in business as long as they more or less met their quotas. The system did not reward technical innovation, with the result that the Soviet Union lags far behind in turning the global scientific and technical revolution to its advantage. Pricing policies mandated unnaturally low prices for some subsidized basic commodities and extremely high prices for commodities considered luxuries in the Soviet Union and Eastern Europe, basic consumer goods elsewhere.

The planning bureaucracy had the authority and the means to interfere in the business of enterprises or whole industries, too often arbitrarily and in contradiction to principles of sound economic management. Basically, the development of the productive forces in socialism have been constrained and held back by the command-administrative structure instituted in the early years of socialist construction.

Economic perestroika is meant to address these problems. But, whether perestroika will resolve the deformations of the Soviet economy within a socialist context or serve to introduce full-fledged capitalist relations of production is not a settled question. The idea of a controlled, socialist market has been advanced as indispensable for regulating the Soviet economy according to economic rather than arbitrarily imposed laws. But socialists throughout the world, and many of you here today, have serious concerns as to whether the market is compatible with socialist ideals of economic justice and whether it is possible to introduce a market in labor power, commodities and possibly even stock without incurring the anarchy of production and gross inequities of distribution characteristic of capitalism.

These are the kinds of questions, absolutely basic to Marxist theory, that have been put on the agenda by world events.

### **Political Crisis of Socialism**

The political crisis of socialism has certainly produced the most high drama: the massive crowds gathered at the wall, the Brandenburg gates, Prague's square; Ceausescu's futile attempt to elude his fate; the Soviet peoples' vote for "none-of the above" in the Leningrad elections; the disheartening votes for right-of-center forces in Hungary and the marginalization of communists and socialists in Poland, Hungary, Czechoslovakia and East Germany.

In the Soviet Union, Gorbachev initiated a revolution from above – out of the ruling centers of the party and the state – and sought support for his revolutionary strategy from the Soviet people. In Eastern Europe, the revolution – or counter-revolution as many would have it – was initiated from below and rapidly swept aside representatives of the party and state who were per-

ceived to be obstacles to democratic reform. In both cases, the party and the state came face to face with a crisis of legitimacy to which, in Poland, Hungary, Czechoslovakia and East Germany, they have succumbed.

Obviously, it wasn't supposed to be this way.

Socialism was to usher in undreamed of democratic opportunities for a working class that had been denied access to the levers of power by the dictatorship of the bourgeoisie. The political suppression of the working class was a corollary to (and necessary for) its economic exploitation and, just as the party and the state would become the agents for and guarantors of economic emancipation, so too would the workers' state and the working class party insure the political supremacy of the formerly exploited class. As the interests of the working class were united and indivisible, a single party could represent them along with the interests of all progressive sectors of the population.

As it turns out, the working classes of Eastern Europe were profoundly and terminally alienated from the parties that ruled in their name and the Soviet party – as we see in its recent congress – is struggling mightily to retain its cohesion and leading role. Somewhere along the line, the rule of the party replaced the rule of law in socialist societies. Within the framework of the single-party state, with its political hegemony constitutionally enshrined, the party's strategy, methods, goals, and relations could not be effectively or legally challenged. Parties that claimed to operate in the name of the people faced no electoral or parliamentary opposition and so could deviate widely from representing the interests and concerns of the population without facing the consequences of a fall from power. Rule by constitutional fiat also provided the basis for abuses of power great and small – from the enormous transgressions of a Stalin to the arrogance and petty corruption of entrenched, immovable local party bosses.

Nearly every party in Eastern Europe has come to recognize that it was viewed as – and in fact was – not the agent of the full, democratic participation of the people in the governing of their own lives, but a check on the self-organization of the working class and other sectors and strata; a check on the development and expression of alternate, oppositional views; and a check on the fulfillment of the democratic aspirations of a politically sophisticated and aware population.

Socialists and communists around the world are engaged in intense and prolonged debates about the whys, wherefores and implications of this state of affairs. At issue is whether the problem of the perversion of socialist democracy was introduced by Stalin and insufficiently rectified after his death, or whether it can be traced back to Lenin's work on the dictatorship of the proletariat and the single-party state. Or back even further to Marx's vision of the workers' state. Just as hotly debated, especially given what has unfolded over the past year or so, is whether it is possible to fully engage the political will, initiative and imagination of the people within the context of a one-party state.

However these questions of socialist history and theory are ultimately

## *Socialist Upheaval and Its Meaning for the U.S. Left*

resolved, some things are already certain: The crisis in European socialism has already irrevocably changed the character of the party and the state in most parts of the world where socialism prevailed. These changes have been stonewalled in China and Cuba, but this is a rearguard effort that is destined to fail. Clearly, the specifics of historical, political and economic development vary widely from one socialist country to another. It cannot be expected, nor is it wished, that all will go through the same wrenching process that has gripped Eastern Europe for the past several years. But it is also highly improbable that the deficiencies and deformations that provoked the crisis of European socialism are confined to the European continent alone.

Sooner or later, every socialist country will have to face up to the basic issues of economic stagnation and political suffocation. The ultimate fate of socialism will be very much determined by whether communist parties that hold state power outside of Europe are able to get out in front of the challenges and radical transformations that will inevitably confront them, or whether they are swept aside.

The parties that are managing to survive are having to compete for the popular mandate, seek alliances with other political forces and democratize their internal procedures and structures. And the state is disengaging from the hegemony of one party and becoming a battleground for divergent forces and interests rather than the executive and administrative arm of one party. I'm sure many of you will want to entertain these same issues here today.

...

The committee that gave me this assignment told me I was supposed to talk about the nature of the crisis in socialism, its roots and causes and the implications for Marxist theory – all in 15 to 20 minutes. An obviously impossible task. To top that off, when folks heard I'd been foolhardy enough to take on such a task, they'd say, only half-joking, "Are you going to provide the answers to all my questions about what's going on in the socialist world?"

Well, obviously I haven't done that. The crisis in socialism has been unfolding for half a decade now. It is a reflection of problems that have been many, many decades in the making and will have repercussions for decades to come. There is no way to capture this phenomenal turn of events in one presentation, one workshop or one conference. But hopefully I have been able to provide you with something to chew on as you move into the workshops. And hopefully too this conference will provoke others among you to organize other occasions for discussion, dialogue and debate. There's certainly more than enough to talk about.

Finally, I've been extremely gratified to work on a project whose organizers were characterized by such a diversity of views together with a real spirit of cooperation. I hope that spirit of comradely inquiry and cooperation can be carried on throughout the conference and beyond.