

*Marxist Century, American Century: The  
Making and Remaking of the World  
Labour Movement*

In the closing paragraphs of the first section of the *Manifesto of the Communist Party*, Marx and Engels advance two distinct arguments why the rule of the bourgeoisie will come to an end.\* On the one hand, the bourgeoisie 'is unfit to rule because it is incompetent to assure an existence to its slave within its slavery, because it cannot help letting him sink into such a state that it has to feed him, instead of being fed by him. Society cannot live under this bourgeoisie; in other words, its existence is no longer compatible with society.' On the other hand: 'The advance of industry, whose involuntary promoter is the bourgeoisie, replaces the isolation of the labourers, due to competition, by their revolutionary combination, due to association. The development of Modern Industry, therefore, cuts from under its feet the foundation on which the bourgeoisie produces and appropriates products. What the bourgeoisie, therefore, produces, above all, is its own gravediggers. Its fall and the victory of the proletariat are equally inevitable.'<sup>1</sup> It will be my thesis here that these two predictions represent both the strength and the weakness of

the Marxian legacy. They represent its strength because they have been validated in many crucial respects by fundamental trends of the capitalist world-economy in the subsequent 140 years. And they represent its weakness because the two scenarios are in partial contradiction with each other and—what is more—the contradiction has lived on unresolved in the theories and practices of Marx's followers.

The contradiction, as I see it, is the following. The first scenario is of proletarian helplessness. Competition prevents the proletariat from sharing the benefits of industrial progress, and drives it into such a state of poverty that, instead of a productive force, it becomes a dead weight on society. The second scenario, in contrast, is of proletarian power. The advance of industry replaces competition with association among proletarians so that the ability of the bourgeoisie to appropriate the benefits of industrial progress are undermined.

For Marx, of course, there was no actual contradiction. The tendency towards the weakening of the proletariat concerned the Industrial Reserve Army and undermined the *legitimacy* of bourgeois rule. The tendency towards the strengthening of the proletariat concerned the Active Industrial Army and undermined the capacity of the bourgeoisie to appropriate surplus. Moreover, these two tendencies were not conceived as being independent of each other. To the extent that the capacity of the bourgeoisie to appropriate surplus is undermined, two effects concerning the Industrial Reserve Army follow. The means available to the bourgeoisie to 'feed', that is, to reproduce the Reserve Army are reduced, while the incentive to employ proletarian labour as a means to augment capital also decreases and, *ceteris paribus*, the Reserve Army increases. Hence, any increase in the power of the Active Industrial Army to resist exploitation is translated more or less automatically into a loss of legitimacy of the bourgeois order.

At the same time, any loss of legitimacy due to inability to assure the livelihood of the Reserve Army is translated more or less automatically into a greater (and qualitatively superior) power of the Active Army. For in Marx's view the Active and the Reserve Armies consisted of the same human material which was assumed to circulate more or less continuously from the one to the other. The same individuals would be part of the Active Army today and of the Reserve Army tomorrow, depending on the continuous ups and downs of enterprises, lines and locales of production. The bourgeois order would thus lose legitimacy among the members of the Reserve and Active Armies alike, thereby enhancing the tendency of whoever happened to be in the Active Army to turn their association in the productive process from an instrument of exploitation by the bourgeoisie into an instrument of struggle against the bourgeoisie.

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<sup>1</sup> Karl Marx, Friedrich Engels, *The Communist Manifesto*, Harmondsworth 1967, pp. 93–94.

## The Three Postulates

The power of this model lies in its simplicity. It is based on three postulates. First, as Marx was to state in Volume 3 of *Capital*, the limit of capital is capital itself. That is to say, the evolution and the eventual demise of capital are written in its 'genes'. The dynamic element is 'the advancement of industry', without which capitalist accumulation cannot proceed. But the advancement of industry replaces competition among the workers, on which accumulation rests, with their association. Sooner or later, capitalist accumulation becomes self-defeating.

This deterministic view, however, applies only to the system as a whole and over long periods of time; the outcome at particular places and at particular times is left entirely indeterminate. There are defeats and victories of the proletariat but both are necessarily temporary and localized events and tend to be 'averaged out' by the logic of competition among capitalist enterprises and among proletarians. The only thing that is inevitable in the model is that in the very long run capitalist accumulation creates the conditions for an increase in the number of proletarian victories over proletarian defeats until bourgeois rule is displaced, replaced or transformed beyond recognition.

The time and modalities of the transition to a post-bourgeois order are also left indeterminate. Precisely because the transition was made to depend on a multiplicity of victories and defeats combined spatially and temporally in unpredictable ways, little was said in the *Manifesto* about the contours of the future society, except that it would bear the imprints of proletarian culture—whatever that culture would be at the time of the transition.

A second postulate is that the agents of long-term, large-scale social change are personifications of structural tendencies. Competition among individual members of the bourgeoisie ensures the advancement of industry, while competition among individual members of the proletariat ensures that the benefits accrue to the bourgeoisie. The advancement of industry, however, means an ever-widening cooperation within and among labour processes, and at a certain stage of development, this transforms the proletariat from an ensemble of competing individuals into a cohesive class capable of putting an end to exploitation.

Consciousness and organization are reflections of structural processes of competition and cooperation which are not due to any individual or collective will. The multiple struggles waged by proletarians are an essential ingredient in the transformation of structural change into ideological and organizational change, but are themselves rooted in structural changes. This is the only 'understanding' that can be usefully 'brought to' the proletariat from outside its condition:

The Communists do not form a separate party opposed to other working-class parties.

They have no interests separate and apart from those of the proletariat as a whole.

They do not set up any sectarian principles of their own, by which to shape and mould the proletarian movement.

The Communists are distinguished from the other working-class parties by this only: 1. In the national struggles of the proletarians of the different countries, they point out and bring to the front the common interests of the entire proletariat, independently of all nationality. 2. In the various stages of development which the struggle of the working class against the bourgeoisie has to pass through, they always and everywhere represent the interests of the movement as a whole.<sup>2</sup>

The third postulate of the model is the primacy of the economy over culture and politics. The proletariat itself is defined in purely economic terms as ‘a class of labourers, who live only as long as they find work, and who find work only so long as their labour increases capital. These labourers, who must sell themselves piecemeal, are a commodity, like every article of commerce, and are consequently exposed to all the vicissitudes of competition, to all the fluctuations of the market.’<sup>3</sup>

### The Proletarian Condition

To be sure, Marx’s entire work was to disclose the fiction involved in treating labour as a commodity like any other. Being inseparable from its owner, and hence endowed with a will and an intelligence, the commodity labour-power was different from all other ‘articles of commerce’. Yet, in the Marxian scheme this appeared only in the struggles of the proletariat against the bourgeoisie, and even there only as an undifferentiated proletarian will and intelligence. Individual and group differences within the proletariat are minimized or dismissed

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<sup>2</sup> *Ibid.*, p. 95.

<sup>3</sup> *Ibid.*, p. 87. In this definition, which I shall adopt throughout, there is no indication that workers must be engaged in particular occupations (‘blue collar’, for instance) to qualify as members of the proletariat. Even expressions like ‘industrial proletariat’ must be understood to designate that segment which is normally employed by capitalist enterprises engaged in production and distribution, regardless of the kind of work performed or the branch of activity in which the enterprise operates.

Marx’s definition is ambiguous, however, with regard to the upper and lower boundaries of the proletariat. At the upper end we face the problem of classifying workers who do sell their labour power for a wage, but from a position of individual strength that enables them to demand and obtain rewards for effort which, other things being equal, are higher than those received by the average worker. This is most clearly the case of the upper echelons of management, but a great variety of individuals (so-called ‘professionals’) work for a wage or salary without being proletarianized in any meaningful (i.e., substantial) sense of the word. In what follows, all such individuals are implicitly excluded from the ranks of the proletariat unless they are explicitly referred to as being only formally proletarianized.

At the lower end we face the opposite problem of classifying workers who do not find a buyer for their labour power (which they would be more than willing to sell at prevailing rates) and therefore engage in non-waged activities that bring rewards for effort which, other things being equal, are lower than those received by the average wage-worker. This is indeed the case with most of what Marx calls the Industrial Reserve Army. As a matter of fact, the entire Reserve Army is in this condition except for the small minority of individuals who qualify for unemployment benefits or can otherwise afford to remain fully and truly unemployed for any length of time. In what follows, all non-wage workers in the above condition will be implicitly included in the proletariat—in its Reserve Army, to be sure, but in the proletariat nonetheless.

as residuals of the past in the process of being eliminated by the laws of market competition. The proletariat has neither country nor family:

Differences of age and sex have no longer any distinctive social validity for the working class. All are instruments of labour, more or less expensive to use, according to their age and sex.<sup>4</sup>

[Modern] subjection to capital, the same in England as in France, in America as in Germany, has stripped him of every trace of national character. . . .

National differences and antagonisms between peoples are daily more and more vanishing, owing to the development of the bourgeoisie, to freedom of commerce, to the world market, to uniformity in the mode of production and in the conditions of life corresponding thereto.<sup>5</sup>

In the Marxian scheme, therefore, the proletariat is either an atomized individual competing with other (equally atomized) individuals over the means of subsistence, or a member of a universal class struggling against the bourgeoisie. Between the universal class and the atomized individual there is no intermediate aggregation capable of supplying security or status in competition with class membership. Market competition makes all such intermediate aggregations unstable and, hence, transient.

Similarly, the Marxian scheme reduces power struggles to a mere reflection of market competition or of the class struggle. There is no room for the pursuit of power for its own sake. The only thing that is pursued for its own sake is profit, the principal form of surplus through which historical accumulation takes place. Governments are instruments of competition or class rule, simply committees 'for managing the common affairs of the whole bourgeoisie'. Once again, it is market competition that forces governments into this mould. If they do not conform to the rules of the capitalist game, they are bound to lose out also in the power game:

The cheap prices of [its] commodities are the heavy artillery with which [the bourgeoisie] batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image.<sup>6</sup>

In sum, the Marxian legacy originally consisted of a model of bourgeois society which made three strong predictions: 1. Bourgeois society tends to polarize into two classes, the bourgeoisie itself and the proletariat, understood as a class of workers who live only so long as they find work, and who find work only so long as their labour increases capital. 2. Capitalist accumulation tends to impoverish and,

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<sup>4</sup> Ibid., p. 88.

<sup>5</sup> Ibid., pp. 92, 102.

<sup>6</sup> Ibid., p. 84.

simultaneously, to strengthen the proletariat within bourgeois society. The strengthening relates to the role of the proletariat as producer of social wealth, the impoverishment relates to its role as more or less commodified labour-power subject to all the vicissitudes of competition. 3. The socially and politically blind laws of market competition tend to merge these two tendencies into a general loss of legitimacy of the bourgeois order which provokes its supersession by a non-competitive, non-exploitative world order.

In order to assess the extent to which these predictions have been borne out by the subsequent history of capitalism, it is useful to break up the 140 years that separate us from 1848 into three periods of roughly equal length: 1848 to 1896; 1896 to 1948; and 1948 to the present. This periodization is meaningful for many of the problems at hand. They all correspond to a 'long wave' of economic activity, each comprising a phase of 'prosperity' in which relations of cooperation in the economy are predominant (A phases) and a phase of 'depression' in which relations of competition predominate (B phases). Besides that, each fifty-year period has its own specificities.

Between 1848 and 1896 market capitalism and bourgeois society, as analysed by Marx, reached their apogée. The modern labour movement was born in this period and immediately became the central anti-systemic force. After a protracted struggle against rival doctrines, Marxism became the dominant ideology of the movement. In the period 1896 to 1948 market capitalism and bourgeois society as theorized by Marx entered a prolonged and ultimately fatal crisis. The labour movement reached its apogée as the central anti-systemic force, and Marxism consolidated and extended its hegemony over anti-systemic movements. However, new divisions appeared within and among anti-systemic movements, and Marxism itself was split apart into a revolutionary and a reformist wing. After 1948 corporate or managerial capitalism emerged from the ashes of market capitalism as the dominant world-economic structure. The spread of anti-systemic movements increased further but so did their fragmentation and reciprocal antagonisms. Under the pressure of these antagonisms, Marxism has been thrown into a crisis from which it has yet to recover and, indeed, may never recover.

## I. The Rise of the World Labour Movement

The major trends and events of the first period (1848–1896) conformed to the expectations of the *Manifesto*. The spread of free-trade practices and the transport revolution in the 20–25 years that followed 1848 made market capitalism more of a world-wide reality than it had ever been before. World-market competition intensified and industry expanded rapidly for most of the fifty-year period. The proletarianization of intermediate strata became more pronounced, though not as widespread and irreversible as it is often claimed. Partly because of the contraction of the intermediate strata, partly because of a widening gap between the incomes of proletarian and bourgeois households, and partly because of the greater residential concentration and segregation of the proletariat, the polarization of society into two distinct

and counterposed classes seemed an indisputable tendency, though more so in some countries than in others.

The tendency of capitalist accumulation simultaneously to impoverish and strengthen the proletariat was also in evidence. The greater concentration of the proletariat associated with the spread of industrialization made its organization in the form of unions much easier, and the strategic position of wage-workers in the new production processes endowed these organizations with considerable power, not only vis-à-vis capitalist employers, but vis-à-vis governments as well. The successes of the British labour movement in the course of the mid-nineteenth century—a phase in limiting the length of the working day and in extending the franchise—were the most visible but not the only expression of such power. Yet, the proletariat was also being impoverished. Each victory had to be sanctioned by market forces which narrowly constrained the capacity of workers to resist the economic and political command of the bourgeoisie. It was in this period that unemployment acquired qualitatively and quantitatively new dimensions which curtailed the improvements in the proletariat's working and living conditions and intensified competitive pressures in its midst.

Finally, as predicted by the *Manifesto*, the two opposing tendencies of impoverishment and strengthening jointly undermined proletarian consent for bourgeois rule. A relatively free circulation of commodities, capital and workers within and across state jurisdictions spread the costs and risks of unemployment among proletarian households. The consequent loss of legitimacy led to an entirely new degree of political autonomy of the proletariat from the bourgeoisie. Only now did the era of working-class political parties begin. But whether or not such parties had come into existence, wage-workers in all core countries shook off their traditional subordination to the political interests of the bourgeoisie and began to pursue their own interests autonomously from, and if necessary against, the bourgeoisie. The most spectacular (and dramatic) expression of this political emancipation was the Paris Commune of 1871. In the Commune, the proletariat for the first time held political power 'for two whole months' (as Marx and Engels wrote enthusiastically in the preface to the 1872 German edition of the *Manifesto*). Although defeated, the Paris Commune was hailed by Marx as exemplary of the future organization of the proletariat as the ruling class.

The close fit of the trends and events of 1848–1896 with the predictions of the *Manifesto* goes a long way towards explaining the hegemony that Marx and his followers established over the nascent European labour movement. Their success came only after protracted intellectual struggles over whether proletarianization was historically irreversible—and so formed the proper ground on which to carry forward the struggles of the present for the society of the future as theorized by Marx—or whether proletarians could historically recover their lost economic independence through one form or another of cooperative production. The latter view had been propounded in earlier periods by the Owenites in England and the Fourierists in

France but lived on in new and different forms among the followers of Proudhon and Bakunin in France, Belgium, Russia, Italy and Spain, and of Lassalle in Germany.

The First International was little more than a sounding board of this intellectual struggle which saw Marx on the side of British trade-unionists (the only real representatives of an actually existing industrial proletariat) against a mixed bag of revolutionary and reformist intellectuals (some of working-class extraction) from Continental Europe. Even though Marx pretty much ran the show, he never won a clear-cut victory and, when he did, the impact on the real movement was illusory. The moment of truth came with the Paris Commune. The conclusions that Marx drew from that experience (the need to constitute legal working-class parties in each country as the presupposition of socialist revolution) alienated, for opposite reasons, Continental revolutionaries and British trade-unionists alike, and the end of the International was sealed.<sup>7</sup>

### Towards a New International

Just as the First International was disintegrating with no winners and many losers around 1873, the mid-century phase of 'prosperity' turned into the late-century Great Depression, and the conditions were created both for the labour movement in its modern form to take off and for Marxists to establish hegemony over the movement. Intensifying competitive pressures widened and deepened processes of proletarianization and multiplied the occasions of conflict between labour and capital. Between 1873 and 1896, strike activity on an unprecedented scale developed in one country after the other, while working-class parties were being established throughout Europe along the lines recommended by Marx in 1871. By 1896 a new International, this time based on working-class parties with a broad unity of purpose, had become a reality.

The success of the *Manifesto* in predicting the broad contours for the subsequent fifty years was and is quite impressive. Yet, not all the relevant facts fitted into the Marxian scheme—most importantly, proletarian politics itself. For the only major attempt by the proletariat to constitute itself as the ruling class along the lines theorized by Marx, the Paris Commune, was almost completely unrelated to the kind of tendencies which, according to that theory, were supposed to bring about such a revolutionary takeover. It was not the outcome of structural factors (a strengthening of the proletariat, due to the advancement of industry, combined with its growing impoverishment, due to commodification) but mainly the result of political factors: the defeat of France by Prussia and the harsh conditions created by the war. That is to say, the proletariat attempted a political revolution not because of a growing contradiction between its increasing exploitation and its increasing power in production processes, but because the bourgeois state had proved to be incompetent in 'protecting'

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<sup>7</sup> Cf. Wolfgang Abendroth, *A Short History of the European Working Class*, New York 1973.

French society in general, and the Parisian proletariat in particular, from or against another state.

It might be argued that defeat in war was only the detonator of structural contradictions which were the real, that is, deeper cause of the explosion. It is certainly true that where structural contradictions were most developed (in England, throughout the period under examination, in the United States, from the late 1870s onwards) the level of direct class warfare between labour and capital (as gauged, for example, by strike activity) was indeed much higher than elsewhere.<sup>8</sup> The problem is, however, that labour unrest in these countries showed no propensity whatsoever to turn into political revolution. If the British industrial proletariat (by far the most developed as a class in itself, and the most prone to strike activity, around 1871) had had the slightest propensity in this direction, its representatives in the First International would have taken a more positive attitude towards the Paris Commune than they actually did. Their negative attitude was in fact symptomatic of a major problem with the Marxian scheme, and probably played a role in inducing Marx to abandon his active involvement in labour politics.

The disjunction between direct and more roundabout forms of the class struggle was confirmed after the Paris Commune in a different way. As we have seen, the coming of the late-nineteenth-century Great Depression coincided with a major upsurge in strike activity (the most direct form of class struggle) and the formation of national working class-parties (a roundabout form of class struggle). Even though these two tendencies seemed to validate the predictions of the *Manifesto*, their spatial separation could not be fitted easily into the Marxian scheme. The countries that were leading in strike activity (Britain and the USA) were the laggards in the formation of working-class parties, while the reverse was the case in Germany. Generally speaking, the formation of working-class parties seemed to have little to do with economic exploitation, working-class formation, and structural conflict between labour and capital. Rather, the main determinants seemed to be the actual and perceived centrality of the state in social and economic regulation, and the struggle for basic civil rights (rights to assembly and to vote in the first place) of and for the proletariat. In Germany, where the state was highly visible and a growing industrial proletariat was denied basic civil rights, the class struggle took the roundabout form of the organization of a working-class party. Only at the end of the Great Depression, above all in the subsequent A phase, did the class struggle take the form of a direct clash between labour and capital. In Britain and the USA, where the state was less centrally organized and the proletariat had already secured basic civil rights, the class struggle took the form of strike activity and trade-union formation, and only much later (in Britain) or never (in the USA) were attempts to form nationally significant working-class parties successful.

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<sup>8</sup> All the statements of fact concerning labour unrest contained in this article are based on research conducted by the World Labor Research Working Group of the Fernand Braudel Center, State University of New York at Binghamton. The main findings of this research will be published in 1991 in a special issue of *Review*.

These differences will be further discussed in the next section. For now let us simply note that the history of the class struggle in the first fifty years after the publication of the *Manifesto* provided *both* strong evidence in support of its main predictions, *and* some food for thought on the validity of the relationship between class struggle and socialist revolution postulated by Marx and Engels. More specifically, the socio-economic formation of the industrial proletariat led to the development of structural forms of class struggle, but did not lead to the development of political, let alone politically revolutionary, tendencies within the proletariat. The attitude of the proletariat towards political power remained purely instrumental *unless*, as in Continental Europe, political conditions themselves (relations among states, and relations between states and their subjects) prompted a more direct, and if necessary revolutionary, participation in political activity. In the huge late-century advances of the labour movement (and of Marxism within it), these anomalies must have looked like details unworthy of much consideration. Moreover, it was still reasonable to expect that the invisible hand of the market would take care of national discrepancies, and make the labour movement of all countries converge towards a common pattern of struggle, consciousness and organization. As it turned out, what had been a minor anomaly became in the next half-century a major historical trend which split the labour movement into two opposite and antagonistic camps.

## II. Global Wars, Movement and Revolution

Between 1896 and 1948 the orderliness of world-market rule for political and social actors broke down, and Marx's expectation of ever more homogenized conditions of existence of the world proletariat went unfulfilled. Following nineteenth-century liberal ideology, Marx had assumed that the world market operated over the heads rather than through the hands of state actors. This proved to be a major misconception because the world market of his time was first and foremost an instrument of British rule over the expanded European state system. As such, its effectiveness rested on a particular distribution of power and wealth among a multiplicity of ruling groups whose continuing consent, or at least acquiescence, was essential to the continuation of British hegemony.

The Great Depression of 1873–1896 was both the high and the terminal point of world-market rule as instituted in the nineteenth century. A major aspect of the Depression was the arrival in Europe of massive and cheap overseas (and Russian) grain supplies. The main beneficiaries were the overseas suppliers (the US in the first place) and the hegemonic power itself, which was the main importer of overseas grain and controlled most of world commercial and financial intermediation. The main loser was Germany, whose rapidly rising wealth and power still relied heavily on the domestic production of grain and very little on the organization of world commerce and finance. Threatened by the new developments, the German ruling classes responded with a further build-up of their military–industrial complex in an attempt to displace or join Britain at the commanding heights of the

world-economy. The result was a generalized and open power struggle in the interstate system which took two world wars to resolve.

In the course of this struggle world-market rule was impaired and, during and after the First World War, suspended. The demise of world-market rule did not stop the 'advancement of industry' and the 'commodification of labour'—the two tendencies which, in the Marxian scheme, were supposed to generate a simultaneous increase in the social power and the mass misery of labour. On the contrary, global wars and their preparation were more powerful factors of industrial advancement and mass misery than market rule had ever been. But the demise of the world market meant that the social power and the mass misery of the world proletariat came to be distributed among its various segments far less evenly than they had been before.

Generally speaking, in the periods of war mobilization the size of the Active Industrial Army increased (both absolutely and relative to the size of the Reserve Army) in most locations of the world-economy—including countries not directly involved in the war. Moreover, the increasing 'industrialization of war' in the late nineteenth and early twentieth centuries had made the cooperation of industrial recruits as important as (if not more important than) the cooperation of military recruits in determining the outcome of war efforts. The social power of labour thus grew in step with the escalation of the power struggle in the interstate system.

But global wars also absorbed a growing amount of resources, while disrupting the networks of production and exchange through which resources were procured. As a consequence, the overall capabilities of the ruling classes to accommodate labour's demands decreased or did not rise as rapidly as the social power of labour. World wars thus created that combination of proletarian power and proletarian deprivation which, in the Marxian scheme, was supposed to bring about an intensification of the class struggle and the eventual demise of the rule of capital.

Both world wars did in fact generate global waves of class struggle. Overall strike activity declined in the opening years of the two wars only to escalate rapidly in their closing years. The resulting peaks in world labour unrest had no historical precedent, and have remained unmatched to this day. And each peak was associated with a major socialist revolution—in Russia and then in China. Though these waves of class struggle did not bring the rule of capital to an end, they did bring about fundamental changes in the way in which that rule was exercised. These changes proceeded along two radically different and divergent trajectories which correspond quite closely to the opposite stands taken by Bernstein and Lenin in the course of the so-called Revisionist Controversy.

In one of its final resolutions, the International Socialist Congress of 1896 predicted an imminent general crisis which would put the exercise of state power on the agenda of Socialist parties. It therefore impressed upon the proletariat of all countries 'the imperative necessity of

learning, as class-conscious citizens, how to administer the business of their respective countries for the common good.’ In line with this resolution, it was decided that future congresses would be open only to representatives of organizations that worked to transform the capitalist order into a socialist order and were prepared to participate in legislative and parliamentary activities. All Anarchists were thereby excluded.

### Movement and Goal

The end of the old controversy between the followers of Marx and Bakunin marked the beginning of a new controversy among the followers of Marx themselves. While the goal of working towards the socialist transformation of the capitalist order was stated in terms sufficiently vague and ambiguous to suit all shades of opinion among Marx’s followers, the very definition of a common political objective for the proletariat of all countries posed some fundamental theoretical and practical problems. Eduard Bernstein was the first to bring these problems out into the open.

Even though Bernstein has gone down in history as the Great Revisionist of Marxian thought, his declared revisionism was actually very mild, particularly in comparison with some of his ‘orthodox’ opponents. In line with the principles of *scientific* socialism, he sought validation/invalidation for Marx’s theses of a secular increase in the social power of labour and of a simultaneous secular increase in its misery. And like Marx, he thought that the best guide to the future of the labour movement in Continental Europe in general and in Germany in particular was the past and present of the movement in Britain. He accordingly focused his attention on trends in the latter.

Starting from these premises, Bernstein found plenty of evidence in support of the first thesis but little in support of the second: not only had there been significant improvements in the standards of life and work of the industrial proletariat, but political democracy had been expanded and transformed from a tool of subordination into a tool of emancipation of the working classes. Writing at the end of the Great Depression of 1873–96 and at the beginning of the *belle époque* of European capitalism, he saw no reason why these trends should be reversed in the foreseeable future. The liberal organizations of modern society were there to stay, and were sufficiently flexible to accommodate an indefinite increase in the social power of labour. As in the past, all that was needed was ‘organization and *energetic action*’ (emphasis added, GA). A socialist revolution, in the sense of a revolutionary dictatorship of the proletariat, was neither necessary nor desirable.<sup>9</sup>

Bernstein summed up his position in the slogan ‘The movement is everything, the goal nothing.’ This sounded like a provocation to Marxist reformists and revolutionaries alike. It was in fact a reformist (Karl Kautsky) who led the onslaught against Bernstein’s revisionism. Kautsky argued, essentially, that all economic and political gains of

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<sup>9</sup> Eduard Bernstein, *Evolutionary Socialism*, New York 1986, pp. 163–64.

the proletariat were conjunctural, that a general crisis was inevitable and indeed in-the-making, and that in such a crisis the bourgeoisie would try to win back forcibly whatever economic and political concessions it had had to make previously to the proletariat. Under these circumstances, everything would be lost unless the proletariat and its organizations were prepared to seize and to hold, if necessary through politically revolutionary means, the commanding heights of the state and of the economy. Thus, although Kautsky retained all of Marx's ambiguities concerning the relationship between the present struggles of the proletariat (the 'movement' in Bernstein's slogan) and the ultimate objective of socialist revolution (the 'goal'), his position at this time was a short step away from the conclusion that the goal was everything and the movement nothing.

Kautsky himself never took this step. It was left to Lenin, who had sided with Kautsky against Bernstein, to carry Kautsky's argument to its logical conclusion. If only a socialist seizure of state power could save/expand all previous achievements of the movement, then the former had clear priority over the latter. It also followed that the achievements of the movement were deceptive. For one thing, they did not take into account the future losses that the movement, left to itself, would inevitably encounter. In addition, they only reflected one side of the proletarian condition. By adding new emphasis to the thesis of the 'labour aristocracy', Lenin implicitly dismissed Marx's view that the best guide to the future of the labour movement in Continental Europe and elsewhere was the present and the past of the labour movement in Britain. The increasing social power of labour in Britain was a local and short-term phenomenon connected with Britain's position at the commanding heights of the world economy. The present and the future of the proletariat of Continental Europe in general and of the Russian Empire in particular was one of increasing mass misery and continuing political oppression, notwithstanding the presence of highly energetic and well-organized labour movements.

Two conclusions followed. First, the achievements (or for that matter the failures) of proletarian movements created the wrong kind of perceptions among their leaderships and rank-and-file. Consciousness of the necessity and the possibility of socialist revolution could only develop outside the movements and had to be brought to them by a professional revolutionary vanguard. Second, the organizations of the movements had to be transformed into 'transmission belts' capable of conveying the commands of the revolutionary vanguards to the proletarian masses. In this theorization, the movement was truly nothing, mere means, the goal everything.

### **A Contradictory Balance**

Looking back at the actual evolution of the labour movement over the entire period 1896–1948, we find plenty of evidence validating either Lenin's or Bernstein's positions but very little validating the intermediate Kautskian position. It all depends where we look. Bernstein's prediction/prescription that organization and energetic action were sufficient to force/induce the ruling classes to accommodate economically

and politically the secular increase in the social power of labour associated with the advancement of industry captures the essence of the trajectory of the labour movements of the Anglo-Saxon and Scandinavian worlds. Notwithstanding two world wars and a catastrophic world-economic crisis, which Bernstein failed to predict, the proletariat in these locations continued to experience an improvement in economic welfare and governmental representation commensurate to its increasingly important role in the system of social production.

The most spectacular advances occurred in Sweden and Australia. But the most significant advances from the point of view of the politics of the world-economy took place in Britain (the declining hegemonic power but still the dominant colonial power) and in the USA (the rising hegemonic power). A marginal and subordinate force in the national politics of both states in 1896, organized labour had become by 1948 the governing party of Britain and a decisive influence on the US government. All this was achieved precisely along the path predicted and prescribed by Bernstein—the path, that is, of energetic and well-organized movements capable of exploiting whatever opportunity arose to transform the increasing social power of labour into greater economic welfare and better political representation. In this context, the goal of socialist revolution never became an issue, and revolutionary vanguards of the proletariat found few followers.

Yet, 1896–1948 was also the period of the greatest successes of socialist revolution, the period when self-proclaimed revolutionary vanguards of the proletariat took control of the means of rule over almost half of Eurasia. Though different in many respects, the experiences of the proletariat in the Russian and former Chinese empires presented important analogies. Vigorous movements of protest (in 1905 in the Russian empire, in 1925–27 in China) had failed to improve the conditions of existence for the proletariat: increasing mass misery, rather than increasing social power, was its overwhelming experience. Moreover, the escalation of the interstate power struggle ('imperialism' in Lenin's theory of revolution) had further lessened the ability of the ruling classes to provide the proletariat with minimal protection.

Under these circumstances a vanguard of dedicated revolutionaries, trained in the scientific analysis of social events, trends and conjunctures, could take advantage of the disruption of national and world power networks to carry out successful socialist revolutions. The foundation of the power of this vanguard was the impoverishment of the increasingly extensive exploited masses, regardless of their precise class locations. For increasing mass misery transformed the vast majority of the population into actual or potential members of the Industrial Reserve Army and, at the same time, prevented whoever happened to be in the Active Industrial Army at any given time from developing a separate class identity from that of other subordinate groups and classes. In this context, the movements of protest that did develop within the transient and precarious condition of the wage-labour force provided neither an adequate foundation for a continuing movement, nor a direction to political action oriented towards

the socialist transformation of the existing social order. The ways and means of that transformation had indeed to be developed outside of, and often in opposition to, the spontaneous movements of protest of the proletarian masses.

The most striking feature of these divergent tendencies—the development of the social power of labour in some locations and of socialist revolution against mass misery in others—is that, taken together, they demonstrated the historical imperviousness of the industrial proletariat to socialist-revolutionary ideologies and practices. Where the social power of the industrial proletariat was significant and growing, socialist revolution had no constituency; and where socialist revolution had a constituency, the industrial proletariat had no social power. As we saw above, the negative correlation between the social power of labour and its socialist revolutionary predispositions had already appeared in embryonic form at the time of the Paris Commune, and it was probably the most important single cause of the disbanding of the First International. Faced with a choice, both theoretical and political, between a strong but reformist labour movement in Britain and a revolutionary but weak labour movement in France, Marx chose not to choose and left the issue up in the air.

### Fateful Choices

As Marxism turned into a political institution, against Marx's and Engels's original intentions, a choice had to be made, particularly in view of the fact that the disjunction between the social power and the revolutionary predispositions of the proletariat was increasing instead of decreasing. Bernstein posed the problem and chose to side with the social power of labour (the 'movement'); Lenin chose to side with the revolutionary predispositions that grew out of increasing mass misery (the 'goal', in Bernstein's antinomy); and Kautsky, like Marx thirty years earlier, chose not to choose. This indeed was his only legitimate claim to 'orthodoxy'.

This choice not to choose had disastrous political implications. Whereas Bernstein's choice was validated by the subsequent successes of labour movement in the Anglo-Saxon world and Scandinavia, and Lenin's choice by the subsequent successes of socialist revolution in the former Russian and Chinese empires, Kautsky's choice not to choose was invalidated as a political strategy by the subsequent successes of counter-revolution in Central and Southern Europe. For the rise of Fascism and National Socialism can be traced at least in part to the chronic inability of the relevant working-class organizations to choose between energetic reformist and energetic revolutionary action.

To be sure, this chronic inability to choose was related to the more complex social situation which labour organizations faced in these regions—a situation, that is, characterized by a combination of increasing social power of labour and of increasing mass misery rather than by the predominance of one or the other tendency. The contradiction was real and localized. This combination generated

within the industrial proletariat significant revolutionary predispositions alongside more reformist predispositions—a combination that left the leadership of the movement in a permanent dilemma. Kautsky's choice not to choose, and the impressive theoretical and political apparatus that backed it up, provided plenty of justifications for a leadership which, instead of tilting the balance in a specific direction, reflected passively the divisions that tore apart the movement and thus compounded political confusion and disorientation.

We shall never know whether a more energetic reformist or revolutionary action on the part of German Social Democracy would have made any difference to subsequent German and world history. But just as the historical responsibilities of German Social Democracy (or for that matter of Italian Socialism) in paving the way to National Socialism and Fascism should not be belittled, they should not be exaggerated either. For the hegemonic successes of reactionary elites in seizing power in countries as diverse as Germany, Japan and Italy had world-systemic as well as local causes. The world-systemic causes were the joint processes of disintegration of world-market rule and escalation of the interstate power struggle outlined at the beginning of this section. These processes put a premium on war-preparedness, which in the twentieth century had come to mean first and foremost expansion and modernization of military–industrial complexes, on the one hand, and an exclusive or privileged access to the world-economic resources required for that expansion and modernization, on the other hand. In states affected by a structural disequilibrium between an overgrown military–industrial apparatus and a narrow domestic economic base, revanchist ideologies had a strong appeal to all kinds of social groups, including non-negligible fractions of the industrial proletariat.

Under these circumstances, the political indeterminacy engendered by the contradictory predispositions of the industrial proletariat towards reform and revolution contributed to undermine the legitimacy of organized labour, regardless of its actual role in compounding the indeterminacy. Whatever its causes, the rise of National Socialism in Germany became the decisive event in precipitating a new round of generalized war and class struggle. It was in the course of this round that organized labour became a decisive political influence on the great powers of the Anglo-Saxon world and that the domain of socialist-revolutionary regimes came to include almost half of Eurasia.

It is important to note that this prodigious expansion of the political power of elected and self-appointed representatives of the industrial proletariat took place in the context of an almost complete disappearance of autonomous revolutionary predispositions on the part of the industrial proletariat itself. Nowhere during and after the Second World War did the industrial proletariat attempt to take state power into its own hands through 'communes' or 'soviets'—not even in defeated countries, as it had done in France in 1871, in Russia in 1917, in Germany and Austria–Hungary in 1919–1920. The expansion of the domain of socialist-revolutionary regimes was essentially due to

armies defeating other armies—a proletarian version of Gramsci's 'Piedmontese Function'.<sup>10</sup>

In Eastern Europe, Communist regimes were established by the Soviet Army, substantively if not formally. Elsewhere, as in Yugoslavia, Albania and, most importantly, China, Communist regimes were established by indigenous armies raised and controlled by revolutionary political elites and cadre who had taken the lead in the struggle of national liberation against Axis Powers. Even in Italy and France, where Communist parties won hegemony over significant fractions of the industrial proletariat, this hegemony was largely the result of previous leadership in the armed struggle against German Occupation. Rejected by the labour movement of core countries, socialist revolution found a new and highly responsive constituency in national liberation movements.

### III. US Hegemony and the Remaking of the World Labour Movement

In 1948 a simple extrapolation of the main social and political trends of the previous half-century pointed towards an imminent termination of the rule of capital. Each round of generalized war and class struggle had resulted in major advances of socialist revolution in the periphery and semiperiphery of the world-economy and in major advances in the social and political power of the industrial proletariat in core countries. Were the trends not reversed, the only question that remained open was not whether capitalism would survive but by what particular mix of reforms and revolutions it would die.

But the trends were reversed, and in the next twenty years capitalism experienced a new 'golden age' of unprecedented expansion. The single most important development was the pacification of interstate relations and the reconstruction of the world market under US hegemony. Up to 1968, the reconstruction of the world market remained partial and heavily dependent on US military and financial capabilities. Then, between 1968 and 1973, the collapse of the Bretton Woods system and the defeat of the US in Vietnam showed that these capabilities in and by themselves were no longer either sufficient or necessary for the ongoing process of world-market reconstruction. For it is precisely from 1973 onwards that the world market seems to have become within limits an 'autonomous force' that no one state (the US included) can control. In concert, states, corporations and administering agencies can, and do, construct and manage the limits of the world market, but not without difficulty and unintended consequences. As a matter of fact, it would seem that at no time in capitalist history has the rule of the world market *per se* approached Marx's limiting ideal type as much as it has in the last 15–20 years.

Today, the social foundations of the world market are quite different from what they were in the nineteenth century. At the end of the war,

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<sup>10</sup> Antonio Gramsci, *Selections from the Prison Notebooks*, New York 1971, pp. 104–105.

the US did not set out to re-establish the same kind of world market that had collapsed over the previous fifty years. Quite apart from the historical lessons of that collapse and the structural differences between nineteenth-century British capitalism and twentieth-century US capitalism to be discussed presently, the power and influence gained by organized labour in the US and Britain and the successes of socialist revolution in Eurasia made such a re-establishment neither feasible nor advisable. The most enlightened factions of the US ruling classes had long understood that no return to the strictly bourgeois order of the nineteenth century was possible. A new world order could not be built on the social power and aspirations of the world bourgeoisie alone; it also had to include as large a fraction of the world proletariat as, in their view, was possible.

A most important aspect of this strategy was US support for 'decolonization' and for an expansion/consolidation of the system of sovereign states. Like Wilson before him, Franklin D. Roosevelt implicitly shared Lenin's view that the struggle over territory and population among core capitalist states was a negative-sum game that created a favourable environment for socialist revolutions and the ultimate demise of the world rule of capital. If the tide of socialist revolution in Eurasia was to be stopped before it was too late, this struggle had to be brought to an end and the right to self-determination of the weaker fractions of the world bourgeoisie and of the world proletariat had to be acknowledged.

A secondary yet highly important objective of Roosevelt's world-hegemonic strategy was to accommodate the social power of labour at home and to expand it abroad. This policy had a number of advantages for the coalition of interests that had come to rule the US. From the point of view of corporate capital, it would create in Europe and elsewhere 'domestic' mass markets similar to the one already existing in the US and thus pave the way for its further transnational expansion. From the point of view of organized labour, it reduced the threat of competitive pressures originating in the lower standards of returns for effort obtaining almost everywhere else in the world. Last and most important, from the point of view of the government, a policy of accommodation at home and expansion abroad of the social power of labour meant that the US could present itself, and be widely perceived, as the bearer of the interests, not just of capital, but of labour as well. It was this policy, together with support for decolonization, that transformed US military and financial supremacy into a true world hegemony.<sup>11</sup>

American military and financial power thus became the vehicle through which the ideology and practice of the primacy of the movement over the goal, typical of the US labour movement, was exported as far as that power reached. The transplant was most successful in those defeated states (West Germany and Japan) where the US Army

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<sup>11</sup> As this sentence implies, I use the term 'hegemony' in the Gramscian sense of a domination exercised through a combination of coercion and consent. See Gramsci, *op. cit.*, pp. 57–58.

by itself or in collusion with its allies held absolute governmental power and, at the same time, industrialization had proceeded far enough to provide organized labour with a firm social base. Even where it was most successful, however, this restructuring of class relations from above by a foreign power would have come to nothing had it not been followed, as it was, by the reconstruction of world-market rule and a rapid spread of the structures of accumulation on which the social power of labour in the US rested.

In the previous section, the labour movement in the United States was dealt with as part of a wider Anglo-Saxon model in which the 'movement' had primacy over the 'goal'. Yet, in the interwar period it had come to exemplify better than the labour movement in any other country the social power that the accumulation of capital puts in the hands of labour. Elsewhere—particularly in the UK, Australia and Sweden—strong labour movements had found expression in the rise of Labour Parties, which remained under the control of the movement but could act as substitutes for and complements of the movement if and when the need arose. In the USA no such development had taken place. At most an existing party had become the principal political representation of organized labour. The movement went forward or foundered as its capabilities of self-mobilization and self-organization succeeded or failed.

### New Structures of Accumulation

These capabilities were the unintended consequence of the structural transformations undergone by US capital over the previous half-century. Also in this respect, the Great Depression of 1873–1896 had been a decisive turning point. It was in that period that US capital had created vertically-integrated, bureaucratically-managed structures of accumulation that corresponded to the full development of Marx's 'production of relative surplus value'.<sup>12</sup>

As painstakingly demonstrated by Harry Braverman, the creation of these structures of accumulation was associated with a shopfloor recomposition such that as the labour processes became more complex the skills required of each participant became fewer and less difficult to master (his 'de-skilling'). This reworking of the technical division of labour undermined the social power of the comparatively small class of wage-workers (primarily craftsmen) who controlled the skills necessary to perform the complex tasks. However, the decreasing social power of craftworkers was only one side of the coin. The other side was the greater social power that accrued to the comparatively much larger class of waged operatives who came to perform the simpler ('semi-skilled') tasks.

'De-skilling' was in fact a double-edged sword which eased the valorization of capital in one direction only to make it more problematic in

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<sup>12</sup> Cf. Alfred D. Chandler, Jr., *The Visible Hand; The Managerial Revolution in American Business*, Cambridge, Mass. 1977, and Michel Aglietta, *A Theory of Capitalist Regulation*, NLB, London 1979.

another. The valorization of capital was eased because it was made less dependent on the knowledge and skills of craftworkers. But this was associated with a major expansion of managerial hierarchies (Galbraith's 'technostructures') whose valorization depended on the speed of production processes and, therefore, on the willingness of a large mass of operatives to cooperate with one another and with management in keeping production flows moving at the required speed. This greater importance of the productive effort of a large mass of operatives for the valorization of complex and expensive technostructures provided the social power of labour with a new and broader foundation.

This new and broader foundation became manifest for the first time in the course of the long wave of strikes and labour unrest that unfolded in the United States between the mid 1930s and the late 1940s. The strike wave began as a spontaneous response of the rank-and-file of the industrial proletariat to the attempts by capital to shift onto labour the burdens of the Great Slump of the early 1930s.<sup>13</sup> The main and indeed the only pre-existing organization of the industrial proletariat of any significance (the AFL) did nothing to initiate the strike wave. It became active in organizing and leading the movement only when the latter had proved capable of standing on its own and of generating alternative organizational structures, which became the CIO.

The struggles were most successful in the period of war mobilization which, as argued earlier on, tended to inflate the social power of labour. McCarthyism notwithstanding, most of the wartime gains were then consolidated in the period of de-mobilization, and for a decade or two the US industrial proletariat enjoyed unprecedented and unparalleled economic welfare and political influence. But the social power of labour in the US was also contained. The most effective forms of struggle were delegitimized, conflict was routinized, and the pace of corporate expansion abroad experienced a sudden acceleration.

The predisposition of US corporate capital to expand its operations transnationally long preceded the strike wave of the 1930s and 1940s. It was built into the processes of vertical integration and of bureaucratization of management which brought it into being in the late nineteenth century and constituted its essential form of expansion. In the 1930s and 1940s, however, the escalation of the interstate power struggle seriously hampered US direct investment in Europe and its colonies precisely at a time when the increasing social power of labour at home was making expansion abroad more profitable and urgent. It should be no surprise, therefore, that as soon as Washington had created conditions highly favourable for corporate expansion in Western Europe (primarily through the Marshall Plan), US capital

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<sup>13</sup> A more exhaustive account of what follows in this section can be found in Giovanni Arrighi and Beverly Silver, 'Labor Movements and Capital Migration: The United States and Western Europe in World Historical Perspective', in C. Bergquist, ed., *Labor in the Capitalist World-Economy*, Beverly Hills 1984.

seized the opportunity and set out to remake Europe in its image and to its likeness.

American corporate capital was not the only actor involved in this remaking of Europe. European governments and businesses joined eagerly in the enterprise, in part to catch up with the new standards of power and wealth set by the US and in part to meet the competition brought into their midst by the US corporate invasion. The result was an unprecedented expansion of production facilities which embodied the new structures of accumulation pioneered in the US in the first half of the century. With the new structures of accumulation came also a massive increase in the social power of European labour, signalled in the late 1960s and early 1970s by a strike wave that presented important analogies with the US of the 1930s and 1940s. First, this wave also was largely based on the capacity for self-mobilization and self-organization of the rank-and-file of the industrial proletariat. Pre-existing labour organizations, regardless of their ideological orientation, played no role in initiating the struggles and became involved in leading and organizing the militancy only when the latter had proved capable of standing on its own and of generating alternative organizational structures. Often, the new movements and labour organizations came into conflict with one another as the latter tried to impose on the former their own political objectives and the former struggled to retain its autonomy from objectives that transcended the proletarian condition.

Second, the foundation of the self-mobilization and self-organization of the industrial proletariat was wholly internal to the proletarian condition. Self-mobilization was a spontaneous and collective response to the attempts of capital to shift the intensifying competitive pressures of the world-economy onto labour by curtailing rewards for effort (primarily by demanding greater effort). And self-organization was the use of the technical organization of the labour process so as to coordinate scattered acts of insurgency.

Third, the movement was highly successful, not only in the pursuit of its immediate objectives, but in inducing the ruling classes to accommodate the social power demonstrated by labour in the struggles. Between 1968 and 1973, rewards for effort skyrocketed throughout Western Europe bringing them close to North American standards. At the same time or shortly afterwards, the formal or substantive restrictions on the civil and political rights of the industrial proletariat still in force in many Western European countries began to crumble.

### **The Transnational Expansion**

Finally, the accommodation of the social power of labour was slowed and then halted by re-orienting the expansion of production processes towards more peripheral locations. Up to 1968, the transnational expansion of production processes, as measured for example by direct investment abroad, was primarily a US-based phenomenon, while European-based counterparts were a residual of earlier colonial

operations and experiences. Capitalist enterprises originating in small and wealthy countries, such as Sweden and Switzerland, had also engaged in this kind of expansion but the enterprises of the larger and more dynamic core countries, such as Germany and Japan, were conspicuous by their absence in the construction of transnational networks of production and distribution.

Then, between 1968 and 1973, there occurred a sudden acceleration in direct foreign investment in which previous laggards, Japan in particular, played a leading role. By 1988 control over transnational production and distribution networks had become a common feature of core capital of all nationalities, with Japanese capital close to overtaking US capital in extent and scope. Japan's leadership in the sudden acceleration of direct foreign investment in the 1970s and 1980s has not been just a matter of exceptionally high rates of growth. Accompanying, and indeed underlying, these growth-rates was an anticipation of, and a prompt adjustment to, world-economic trends in labour-capital relations. As soon as domestic strike activity and labour costs began to rise, Japanese capital promptly relocated abroad the production processes that were most dependent on an ample supply of cheap labour. What is more, at least in its initial stages the transnational expansion of Japanese capital, unlike that of US capital, was oriented primarily towards a reduction in costs rather than an expansion of revenues.<sup>14</sup>

Japanese leadership in the transnational expansion of capital of the 1970s and 1980s was built on an anticipation of the difficulties created for the accumulation of capital by the generalization of the structures of corporate capitalism to the entire core zone. As long as corporate capitalism was almost exclusively a US phenomenon, US corporations could pick and choose among a wide range of locations where to seek the valorization of their managerial hierarchies. This lack of competition was the single most important reason why US corporate capital in the 1950s and most of the 1960s could simultaneously expand its productive base abroad and at home, accommodate the social power of labour that went with that expansion, and increase the mass of profit under its control. By the late 1960s and early 1970s, the greatly expanded managerial hierarchies of US capital were no longer alone in seeking valorization outside their original domain. Western European and Japanese capitalist enterprises had developed the same kinds of capabilities and propensities, while the number of locations offering comparable opportunities of profitable expansion had decreased. Western Europe, which had been a prime location for the valorization of US capital externally, was itself seeking a profitable outlet for its own overgrown technostructures. Opportunities for foreign direct investment in the rest of the world were narrowly constrained, either by centralized state controls over production and distribution (as in all Communist countries) or by mass misery (as in most Third World countries) or by a combination of the two.

The cost-cutting race of the 1970s and 1980s has its deeper roots in

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<sup>14</sup> Cf. Teruotomo Ozawa, *Multinationalism, Japanese Style: The Political Economy of Outward Dependency*, Princeton, N.J. 1979.

this situation of overcrowding—that is, a situation in which too many corporate structures ‘chased’ too few locations offering profitable opportunities of expansion. In the 1970s, attempts by states and corporations to sustain the expansion of productive facilities and to accommodate the increasing social power of labour that went with it simply resulted in an accentuation of inflationary pressures. These pressures, in turn, enhanced the profitability of cost-cutting and the attractiveness of speculative activities which, in the 1980s, have accordingly drawn to them increasing monetary resources and entrepreneurial energies.

Financial speculation and cost-cutting activities are thus reflections of the growing inability of corporate capital to adjust to the increasing social power of labour that goes with corporate capital’s own expansion. Their main impact has been a limited but nonetheless very real spread of mass misery to the core zone. The phenomenon has taken different forms: falling real wages (primarily in the US), rising unemployment (primarily in Western Europe), and an increasing effort-price of proletarian incomes in almost all core locations.

This increase in mass misery has not been associated with a proportionate decrease in the social power of labour. Financial speculation reflects the emergence of an incompatibility between corporate expansion and the increasing social power of labour. It cannot stop the latter without stopping the former. Its main effect is to undermine the social consensus on which the rule of capital has rested since the Second World War.

### Cost-Cutting

As for cost-cutting activities, they have taken three main forms: (a) a substitution of cheaper for more expensive sources of wage-labour *within* each and every core state—the feminization of the waged labour force being the most important aspect, and the use of first-generation, often illegal, immigrant labour its secondary aspect; (b) a substitution of cheaper for more expensive sources of wage labour *across* state boundaries, particularly between core and more peripheral regions—plant relocation and substitution of imports for domestic production here being the most important aspects; and (c) a substitution of intellectual and scientific labour power for proletarian labour power in production processes—automation and the use of science-based technologies being its most important aspects.

The first two kinds of substitution have been by far the most important in spreading mass misery to the proletariat of core countries. Yet, neither of them involves a reduction in the overall social power of the world proletariat. What they do involve is a transfer of social power from one segment of the world proletariat to another segment. Substitution within core states transfers social power from male to female and from native to immigrant members of the industrial proletariat; and substitution across state boundaries transfers social power from the proletariat of one state to the proletariat of another state. Either way, social power changes hands but remains in the hands of the industrial proletariat.

Automation and science-based technologies, in contrast, involve a reduction in the social power of the proletariat as presently constituted. By transferring control over the quality and quantity of production from subordinate wage-workers to managers, intellectuals and scientists, this kind of substitution transfers social power from substantively proletarianized workers to workers who, at best, are proletarianized only in the formal sense of working for a wage or salary. However, the stronger this tendency and the larger the size of the managerial and scientific labour force in the overall economy of production processes, the stronger also the tendency for capital to subject this labour force to its rule, and thus make its proletarianization more substantive than it has been thus far. In this case, therefore, there is a transfer of social power out of the hands of the industrial proletariat, but only as a premise to a future enlargement of its size and power.

It follows that the deteriorating living standards of the proletariat in core countries have been associated not so much with a loss as with a redistribution of social power within its present and future ranks. Social power and mass misery are no longer as polarized in different segments of the world proletariat as they were in the middle of the twentieth century. Mass misery has begun to spread to the proletariat of the core, while social power has begun to trickle down to the proletariat of the periphery and semi-periphery. In short, we are approaching the scenario envisaged by Marx and Engels in the *Manifesto*—a scenario in which the social power and the mass misery of labour affect the same human material rather than different and separate segments of the world proletariat.

To be sure, social power and material deprivation are still distributed extremely unevenly among the various components of the world proletariat. Insofar as we can tell, such unevenness will remain for a long time to come. Yet, the tendency of the first half of the twentieth century towards a spatial polarization of the social power and mass misery of labour in different and separate regions of the world-economy has begun to be reversed. Between 1948 and 1968, the social power previously enjoyed almost exclusively by the industrial proletariat of the Anglo-Saxon world spread to the industrial proletariat of the entire core zone, which had come to include most of Western Europe and Japan, while mass misery continued to be the predominant experience of the proletarianized and semi-proletarianized masses of the Third World. From circa 1968, however, this polarization became counterproductive for the further expansion of corporate capital. In core regions, the enlarged social power of labour began to interfere seriously with the command of capital over production processes. In peripheral regions, the enlarged mass misery of labour undermined the legitimacy of the rule of capital, impoverished markets, and interfered with the productive mobilization of large segments of the proletariat.

Faced with these opposite and mutually reinforcing obstacles to its further expansion, corporate capital has been trying ever since to overcome its difficulties by bringing the mass misery of the proletariat of the semiperiphery and periphery of the world-economy to bear

upon the social power of labour in the core. The attempt has been eased by the ongoing reconstruction of the world market which, from 1968 onwards, has become increasingly independent of specifically US interests and power. This reflects, among other things, the ever widening and deepening transnational organization of production and distribution processes through which corporate capital regardless of nationality has been trying to bypass, contain and undermine the social power of labour in the core.

### **Reshuffling of the Proletariat**

The result has been a major reshuffling of the human material that constitutes the Active and Reserve Industrial Armies. In comparison with twenty years ago, a far larger proportion of the world Active Industrial Army is now located in periphery and semiperiphery of the world-economy, while the Active Army in the core contains a large number of female and immigrant recruits in its lower ranks and of formally proletarianized intellectuals and scientists in its upper ranks. This reshuffling has put considerable pressure on the native male workers of the core employed in the lower and middle ranks of the Active Army to accept lower standards of reward for effort or else be squeezed out of the Active Army.

Resistance against this deterioration of living standards in the core has thus far been rather weak and ineffectual mainly because the segments of the industrial proletariat that have experienced it most directly have also been affected by a loss of social power, while the segments that have been gaining social power have not yet experienced a major deterioration in living standards. In the case of the women and immigrants that have come to occupy the lower ranks of the industrial proletariat, two circumstances have softened the impact of the deterioration. On the one hand, standards of reward for effort in their previous occupations were in many instances even lower than the standards obtaining in the lower ranks of the Active Industrial Army to which they have been recruited. On the other hand, often they still consider their rewards as a supplement to other sources of income and their efforts as temporary additions to their usual workload. Low rewards for effort are thus borne with greater patience than, one would imagine, they would be if rewards were perceived as the sole or principal source of income and if the efforts were perceived as a permanent addition to their workload.

Both circumstances are inherently transitory. Over time, standards of rewards for effort are formed by present rather than past conditions. In addition, the more widespread becomes the use of female and immigrant labour in the lower ranks of the Active Industrial Army, the more low rewards turn into the main source of income and high effort turns into a lifetime condition. As this happens, acquiescence gives way to open rebellion in which the social power of women and immigrants is turned against the rising tide of mass misery in the core. Even in the 1970s and 1980s women and immigrants in core states have shown a strong predisposition to rebel and make use of their social power; but we have yet to see a major wave of industrial

conflict focused specifically on their grievances. If and when it occurs, this kind of wave will interact positively and negatively with movements of protest originating in the upper ranks of the Active Industrial Army.

These upper ranks are increasingly occupied by intellectuals and scientists who are taking over an ever widening range of productive tasks. For now, they are the main beneficiaries of the ongoing cost-cutting race which inflates the demand for their labour power and provides them with comparatively inexpensive luxuries. But the more their weight in the cost structure of capital increases, the more they will be targeted as the main object of the cost-cutting race. At that point, these upper strata of the Active Industrial Army can also be expected to mobilize their social power in movements of protest to prevent mass misery from spreading to their own ranks.

These are the movements of the future of the core. But in the semi-periphery the future has already begun. The 1980s have witnessed major explosions of labour unrest in countries as far apart as Poland, South Africa and South Korea—just to mention the most significant cases. Notwithstanding the radically different political regimes and social structures, these explosions present important common features, some of which resemble those attributed earlier to the waves of class struggle of the 1930s and 1940s in the US and of the late 1960s and early 1970s in Western Europe. In all instances, industrial conflict has been largely based on the capabilities of self-mobilization and self-organization of the rank-and-file of the industrial proletariat. The foundation of these capabilities has been wholly internal to the proletarian condition and has consisted of a fundamental disequilibrium between the new social power and the old mass misery of the industrial proletariat.

The resemblances in these respects are striking. Nevertheless, the differences between this latest wave and the earlier waves have been as significant as the similarities. These movements have been as hard to repress as the earlier ones; but they have been far more difficult to accommodate. The reason lies not in the grievances themselves, which are far more basic than the grievances of the earlier waves, but in the limited capabilities of states and capital in the semiperiphery to adjust to even the most basic of grievances. The result might well be a situation of endemic social strife of the kind envisaged by Marx and Engels in the *Manifesto*.

#### IV. The Crisis of Marxism in World-historical Perspective

The argument that the predictions of the *Manifesto* concerning the world labour movement might be more relevant for the next 50–60 years than they have been for the last 90–100 years may seem to be contradicted by the current crisis of organized labour and Marxist organizations. There is no denying that over the last 15–20 years labour unions, working-class parties and states ruled by socialist

governments, particularly of the Communist variety, have all been under considerable pressure to restructure themselves and change their orientation or face decline. This pressure, however, is not at all incompatible with the argument developed here. On the contrary, it provides further evidence in its support.

Like all other social organizations, proletarian organizations (whether Marxist or not) pursue strategies and have structures that reflect the historical circumstances under which they have come into existence, and most continue to retain the same sort of strategy and structure long after the circumstances of their origin are over with. The proletarian ideologies and organizations that are now under pressure to change or face decline all reflect the historical circumstances typical of the first half of the twentieth century—a period in which the capitalist world-economy departed in fundamental ways from the scenario sketched in the *Manifesto*. To the extent that the capitalist world-economy once again begins to match more closely that scenario, it is only to be expected that all organizations whose strategies and structures reflect the historical circumstances of a previous epoch would be challenged fundamentally and be faced with the prospect of decline. Some may be able to stave off the decline, even prosper, through a simple change in strategy. Others can attain the same result but only through a process of thorough self-restructuring. And others again can only decline, no matter what they do.

More specifically, Marx had assumed that market rule would constantly reshuffle within and across the various locations of the capitalist world-economy the increasing social power and the increasing mass misery of labour. In actual fact, for a long time this did not happen. In the first half of the twentieth century the escalation of the interstate power struggle first impaired and then totally disrupted the operation of the world market. The social power and the mass misery of labour increased faster than ever before but in polarized fashion, with the proletariat in some regions experiencing primarily an increase in social power, and the proletariat in other regions experiencing primarily an increase in mass misery. As Marx had predicted, this accentuation of the tendencies towards an increasing social power and an increasing mass misery of labour gave a tremendous impulse to the spread of proletarian struggles, ideologies and organizations. But the polarized fashion in which the two tendencies materialized made proletarian struggles, ideologies and organizations develop along trajectories which Marx had neither predicted nor advocated.

The assumption that the two tendencies would affect the same human material across the space of the capitalist world-economy was an essential ingredient in Marx's theory of the socialist transformation of the world. Only under this assumption would the everyday struggles of the world proletariat be inherently revolutionary, in the sense that they would bring to bear on states and capital a social power which the latter could neither repress nor accommodate. Socialist revolution was the long-term, large-scale process whereby the ensemble of these struggles would force upon the world bourgeoisie an order based on consensus and cooperation instead of coercion and competition.

Within this process the role of revolutionary vanguards, if any, was supposed to be moral and educational rather than political. According to the *Manifesto*, truly revolutionary vanguards ('communists') were not supposed to form separate parties opposed to other working-class parties; they were not supposed to develop interests of their own separate and apart from those of the proletariat as a whole; and they were not supposed to set up sectarian principles by which to shape and mould the proletarian movement. Rather, they were supposed to limit themselves to express and represent *within* proletarian struggles the common interests of the entire world proletariat and of the movement as a whole (see the passage quoted above). The most striking fact about this list of what revolutionary vanguards were not supposed to do is that it is a list of what Marxists actually did do in becoming collective historical agents.

The formation at the end of the nineteenth century of separate parties competing with and often opposed to other working-class parties was the first thing that Marxists did. As a matter of fact, this formation of separate political parties marks the very act of birth of Marxism as effective historical agency and shared ideological identity. Soon thereafter, the Revisionist Controversy purged Marxism of the idea that the movement of concrete proletarian struggles had primacy over the principles (socialist or not) set up by revolutionary vanguards. This development was a tacit invitation to set up particular principles as criteria of proletarianism and, hence, as working guidelines for a vanguard's shaping and moulding of actual proletarian movements—something that happened right away. When one version of this path brought to Marxism its first territorial base (the Russian Empire), the Leninist theory of supremacy of the revolutionary vanguard over the movement became the core of Marxist orthodoxy.

Finally, having acquired a territorial domain, Marxism as an orthodoxy developed interests of its own—interests not necessarily nor evidently coincident with those imputable to the world proletariat. The internecine struggles that followed the seizure of state power in the Russian empire redefined Marxism as coercive rule (of the party over the state and of the state over civil society); the aim was not so much to achieve proletarian liberation as such as to keep up or catch up with the wealth and power of the core states of the capitalist world-economy. This strategy turned the USSR into a superpower and helped bring about a phenomenal expansion of the territorial domain of Marxist rule. Coercive rule plus industrialization became the new core of orthodoxy.

### Party, State and Class

Notwithstanding this progressive negation of Marx's legacy, Marxism continued to claim representation of the common interests of the entire world proletariat and world labour movement. This claim, however, was increasingly emptied of substance by a constant redefinition of the common interests of the world proletariat to match the power interests of Marxist organizations (states, parties, unions). Right from the start, the common interests of the world proletariat

were redefined, one, to exclude the material interests of those segments of the world proletariat (so-called 'labour aristocracies') that rejected the necessary role of Marxist parties in the pursuit of their emancipation and, two, to include the power interests of Marxist organizations regardless of their participation in actual proletarian struggles. Then, as Marxist organizations came to include the USSR, the common interests of the world proletariat were redefined to give priority to the consolidation of Marxist power in the USSR and of the USSR in the state system. Finally, as the USSR became a superpower engaged in a struggle for world-hegemony with the USA, the common interests of the world proletariat were redefined once again to match the interests of the USSR in that struggle.

This trajectory of successive and cumulative negations of Marx's legacy by individuals, groups and organizations who, nonetheless, continued to claim allegiance to that legacy, does not describe a 'betrayal' of Marxism, whatever that might mean. Rather, it describes Marxism for what it is, a historical formation that conforms to the actual unfolding of the Marxian legacy under circumstances unforeseen by that legacy. Or to rephrase, Marxism was made by *bona fide* followers of Marx but under historical circumstances that were neither prefigured for them nor of their own making.

The escalation of the interstate power struggle and the concomitant breakdown of world-market rule imposed upon Marx's followers the historical necessity of choosing between alternative strategies which for Marx were not alternatives at all. As argued in section II above, the choice in question was to develop organic links either with the segments of the world proletariat that experienced most directly and systematically the tendency towards increasing mass misery, or with the segments of the world proletariat that experienced most directly and systematically the tendency towards increasing social power. The choice was imposed by the increasing division of the two tendencies over the space of the world-economy. Marx thought, and hoped, that this division, already observable in embryonic form in his own days, would decrease over time. Instead, the escalation of the interstate power struggle strengthened both tendencies and increased their spatial division. Hence, the necessity to choose, and to choose promptly.

When Bernstein raised this issue and proposed to develop organic links with the stronger segments of the world proletariat, Marxists almost unanimously rejected his proposal, regardless of their revolutionary or reformist predispositions. The actual reasons for this almost unanimous rejection, which set the course of Marxism for decades to come, fall beyond the scope of this essay. All we need to point out is that they can be imputed to motivations that in no way contradict the letter and the spirit of the Marxian legacy.

Organic links with the weaker rather than the stronger fractions of the world proletariat presented a double advantage for Marxists. First, it appealed to their sense of moral outrage at the mass misery of the world proletariat, which no doubt had been a major motivation for many of them to follow in Marx's footsteps. Second, it appealed to

their sense of self-esteem—the sense, that is, that there was something they could personally do to overcome the mass misery of the world proletariat, which no doubt also played a role in inducing them to engage in working-class politics.

Bernstein's choice was disadvantageous from both points of view. If the accumulation of capital provided the proletariat with the social power necessary to stave off mass misery, Marxists—or at least most of them—were left without motivation or function: moral outrage was unjustified because mass misery was a passing phenomenon, and self-esteem was out of place because the proletariat had all the power it needed to emancipate itself. It is plausible to assume that this was an unstated but important reason why Bernstein's 'choice' was rejected and historical Marxism was constituted both theoretically and practically on the foundation of the increasing mass misery of labour rather than on its increasing social power.

### A Double Substitution

Whatever the motivations, this was a fateful decision, not just for Marxism, but for the world proletariat, the world labour movement, and the capitalist world system. It imposed on Marxists a double substitution which greatly enhanced their power to transform the world but also made them depart more and more radically from the letter and spirit of the Marxian legacy. At first, it imposed on Marxists the historical necessity of substituting organizations of their own making for the mass organizations that reflected the spontaneous acts of revolt of the proletariat and other subordinate groups and classes. Then, once in power, it imposed on Marxist organizations the historical necessity of substituting themselves for the organizations of the bourgeoisie and other dominant groups and classes in performing the unpleasant governmental tasks which the latter had been unable or unwilling to do.

The two substitutions (the first primarily associated with the name of Lenin, and the second with the name of Stalin) complemented each other in the sense that the first prepared the second and the second brought to completion, as best the actors could, the work initiated by the first. But whatever their mutual relations, both substitutions were rooted in the previous decision of Marxists to choose as the social foundation of revolutionary theory and action the increasing mass misery rather than the increasing social power of labour. Increasing mass misery was a necessary condition for the success of Lenin's strategy of the revolutionary seizure of power. But as soon as state power had been seized, mass misery turned into a serious constraint on what Lenin and his successors could do with that power.

The inability or unwillingness of previous ruling classes to provide basic protection (military protection in the first place) to the proletariat and other subordinate groups and classes in a situation of escalating interstate violence had been the primary factor of their downfall. Marxist organizations could thus hope to stay in power only by providing the proletariat and other subordinate groups and classes with

better protection than that provided by previous ruling groups. In practice, this meant—or so it seemed to all actors involved in the consolidation of Marxist power—catching up or at least keeping up with the military–industrial complexes of the great powers of the state system.

The alleviation of mass misery was accordingly subordinated to the pursuit of this objective. Since military–industrial backwardness had been a major, if not the major, cause of the increasing mass misery of the proletariat in the Russian Empire, it seemed quite reasonable to those involved in the consolidation of Marxist power in the USSR to assume that the alleviation of mass misery itself would begin with heavy industrialization. This assumption, however, did not seem so reasonable to a large number of Soviet subjects (including a great variety of proletarian subjects) whose ways of life were disrupted by the stepping up of heavy industrialization under conditions of mass misery. Given this opposition, coercive rule became the necessary complement of heavy industrialization.

The success of the USSR in becoming one of the two superpowers of the interstate system and, at the same time, in actually alleviating the chronic mass misery of its proletarian subjects turned coercive rule plus industrialization into the new core of Marxist theory and practice. Marxism thereby became even more closely identified than before with the mass misery of the world proletariat, and thereby enhanced its hegemonic capabilities in the periphery and semi-periphery of the world-economy. But, for that very reason, it lost most if not all of its residual appeal for those segments of the world proletariat whose predominant experience was not increasing mass misery but increasing social power.

The rejection of Marxism by the proletariat of core countries and the suppression of actual proletarian struggles in the theory and practice of historical Marxism went hand in hand. The more historical Marxism came to be identified with increasing mass misery and with the bloody struggles through which Marxist organizations attempted to overcome the powerlessness that went with mass misery, the more it became alien, nay, repugnant to the proletarians of core countries. And, conversely, the more proletarian organizations based on the increasing social power of labour in core countries succeeded in obtaining a share of the power and wealth of their respective states, the more they came to be perceived and presented by Marxists as subordinate and corrupt members of the dominant social bloc that ruled the world.

This mutual antagonism was a historical development which no one had willed or, for that matter, anticipated. Once in place, however, it provided the world bourgeoisie with a valuable ideological weapon in the struggle to reconstitute its tottering rule. As we have seen, US hegemony after the Second World War relied heavily on the claim that the experience of the US proletariat could be duplicated on a world scale. Let the expansion of corporate capitalism proceed unfettered—it was claimed—and the entire world proletariat will experience sufficient social power to eliminate mass misery from its ranks.

## American and World Labour

As we now know, this claim (like all hegemonic claims) was half true and half fraudulent. As promised, the global expansion of corporate capitalism, which followed from and secured the establishment of US hegemony, did in fact spread the social power of labour to the entire core, most of the semiperiphery, and parts of the periphery of the world-economy. And, as promised, the segment of the world proletariat with sufficient social power in its hands to stave off mass misery has expanded, if not in relative terms, certainly in absolute terms.

But the claim that the world labour movement could be remade in the image of the United States has turned out to be also half fraudulent. The increase in the social power of labour has not resulted in a proportionate decrease in the mass misery of labour, as happened in the US. The more corporate capitalism expanded, the less capable it became of accommodating all the social power that its own expansion put in the hands of labour. As a consequence, expansion has slowed down and the cost-cutting race of the 1970s and 1980s has set in.

The unraveling of the fraudulent aspects of US hegemony has been a major factor in precipitating its crisis in the late 1960s and early 1970s. Yet, neither organized labour nor Marxist organizations have been able to take advantage of the new situation. On the contrary, both have been affected by a crisis as structural as that of US hegemony.

The previous strength of organized labour in core countries was rooted in a situation in which a particular segment of the proletariat had considerable social power while states and capital had the capability of accommodating that power. Organized labour, as presently constituted, developed and expanded by delivering social peace to states and capital and greater returns for effort to its proletarian constituencies. The ongoing cost-cutting race, however, has made states and capital more reluctant or less capable to grant labour greater returns for effort and has transferred social power into the hands of proletarian segments (women, immigrants, foreign workers, etc.) with whom existing labour organizations have weak or no organic links. Organized labour has thus lost its previous social function or its social base or both.

The strength of Marxist organizations, in contrast, was rooted in a situation in which their proletarian constituencies had little social power and in which states and capital were incapable of providing such constituencies with minimal protection. Marxist organizations, as presently constituted, grew on the basis of their capacity to provide such constituencies with a better protection than previous ruling classes had been able or willing to provide. However, the strategy of keeping up and catching up with the most powerful military-industrial complexes of the interstate system, through which Marxist organizations consolidated and expanded their power, was vitiated by a fundamental contradiction.

On the one hand, this strategy required that, wittingly or unwittingly,

Marxist organizations put in the hands of their proletarian constituencies a social power comparable to the social power enjoyed by the proletariat of the core. Over time, this increasing social power was bound to interfere with the capability of Marxist organizations to pursue interests of their own at the expense of their proletarian constituencies. The longer they waited to adjust their strategies and structure to the increasing social power of their proletarian constituencies, the more serious the subsequent adjustment would have to be.

The reconstruction of world-market rule under US hegemony has aggravated this contradiction in more than one way. Interstate relations came to be pacified and war as a means of territorial expansion was delegitimated. This change undermined the capacity of Marxist organizations to mobilize consent among their proletarian constituencies for a strategy of coercive industrialization. In the situation of generalized preparation for war and of actual war in the 1930s and 1940s, this strategy probably reflected a genuine and deeply felt proletarian interest. But with the establishment of US hegemony it came more and more to reflect the self-serving interests of Marxist organizations and of their political clientele. At the same time, the growing division of labour in the rest of the world-economy associated with the reconstruction of market rule heightened the comparative disadvantage of coercive industrialization in the race to keep up with the standards of power and wealth set by core capitalist states. As a consequence, Marxist states became increasingly incapable of keeping up with those standards or of adjusting to the increasing social power of their proletarian subjects or both.

### The Shape of the Crisis

The crises of organized labour and of Marxist organizations are thus two sides of the same coin. The crisis of organized labour is due primarily to its structural inability to stop the spread of mass misery to the proletariat of the core, while the crisis of Marxist organizations is due primarily to their structural inability to prevent the spread of social power to their actual or prospective proletarian constituencies. But the crisis is the same because each kind of proletarian organization is ill equipped to cope with a situation in which labour has greater social power than existing economic and political institutions can accommodate.

Under these circumstances, the old opposition between the 'movement' and the 'goal', which underlay the dual development of the world labour movement in the course of the twentieth century, no longer makes any sense to the protagonists of the struggles. As Marx had theorized, the simple exercise of the social power that has accumulated or is accumulating in the hands of labour is in and by itself a revolutionary act. An increasing number of proletarian struggles since 1968 have demonstrated the incipient recomposition of 'movement' and 'goal'.

The recomposition was presaged and explicitly advocated in the slogan '*praticare l'obbiettivo*' ('putting the objective into practice') coined

by Italian workers at the height of the struggles of the late 1960s. Under this slogan, various practices of direct action were carried out. Even though practices of direct action were nothing new, their socially revolutionary effects were. The social power deployed in and through these struggles imposed a major restructuring of economic and political institutions, including Marxist and non-Marxist working-class organizations, to accommodate the democratic and egalitarian thrust of the movement.<sup>15</sup>

More compelling evidence of an incipient recomposition of 'movement' and 'goal' has come from Spain in the 1970s and from South Africa and Poland in the 1980s. In Spain, a persistent and long-drawn-out movement of proletarian struggles, which the Franco dictatorship could neither repress nor accommodate, was the single most important factor in the demise of that dictatorship and the subsequent rise of social democracy. In less clear-cut fashion, the same pattern can be identified in the later crises of dictatorships in Brazil, Argentina and South Korea. It can also be recognized in the ongoing struggles of the proletariat in South Africa and Poland. In these two cases, however, the labour movement presents specificities which enhance their significance.

The special significance of the labour movement in Poland is that it is emblematic of the contradictions and current crisis of historical Marxism as ideology and organization of the proletariat. The movement is based primarily, if not exclusively, on the social power that has been put in the hands of labour by the strategy of coercive industrialization pursued by Marxist organizations. The deployment of this social power in the pursuit of livelihood and basic civil rights is as inherently subversive of existing political and economic relations in Poland as it is or has been in all the other countries mentioned above. No distinction between the goal of social revolution and the actual unfolding of the movement is necessary or indeed possible—as witnessed, among other things, by the kind of leadership and organization which the movement has generated.

The irony of the situation is that, in struggling against a Marxist organization, knowingly or unknowingly *Solidarnosc* has followed Marx's prescriptions for revolutionary vanguards more closely than any Marxist organization ever did. It has restrained itself, (1) from forming a political party opposed to existing working-class parties; (2) from developing interests of its own separate from those of the world proletariat; and (3) from setting up sectarian principles by which to shape and mould the proletarian movement. Moreover, as advocated by Marx, its function has been more moral than political, though its political implications have been truly revolutionary.

The fact that a Marxist organization is the stage counterpart to this most Marxian of proletarian organizations should not surprise us.

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<sup>15</sup> Cf. Ida Regalia, Marino Regini, Emilio Reyneri, 'Labor Conflicts and Industrial Relations in Italy', in C. Crouch and A. Pizzorno, eds., *The Resurgence of Class Conflict in Western Europe since 1968*, vol. 1, New York 1978.

Indeed, the *Solidarnosc* experience provides vivid evidence in support of the two main theses of this essay: the thesis that Marx's predictions and prescriptions are becoming increasingly relevant for the present and the future of the world labour movement; and the thesis that historical Marxism has developed in a direction that in key respects is antithetical to the one foreseen and advocated by Marx.

But by bringing to the fore the role of religion and nationality in the formation of a distinctive but collective proletarian identity, the *Solidarnosc* experience does more than that. Together with other contemporary proletarian struggles—the South African experience in the first place—it warns us against excessive reliance on the Marxian scheme in charting the future of the labour movement. For in one major respect the Marxian scheme itself remains seriously defective—namely, in the way in which it deals with the role of age, sex, race, nationality, religion and other natural and historical specificities in shaping the social identity of the world proletariat. Consideration of such complex issues lies beyond the scope of this essay.<sup>16</sup> But their importance for the future of the world labour movement forces me to mention them by way of qualification and conclusion of what has been said so far.

To be sure, the cost-cutting race of the last 15–20 years has provided new and compelling evidence in support of the observation that *for capital* all members of the proletariat are instruments of labour, more or less expensive to use according to their age, sex, colour, nationality, religion, etc. However, it has also shown that one cannot infer, as Marx does, from this predisposition of capital a predisposition of labour to relinquish natural and historical differences as means of affirming, individually and collectively, a distinctive social identity.

Whenever faced with the predisposition of capital to treat labour as an undifferentiated mass with no individuality other than a differential capability to augment the value of capital, proletarians have rebelled. Almost invariably they have seized upon or created anew whatever combination of distinctive traits (age, sex, colour, assorted geo-historical specificities) they could use to impose on capital some kind of special treatment. As a consequence, patriarchalism, racism and national-chauvinism have been integral to the making of the world labour movement along both of its twentieth-century trajectories, and live on in one form or another in most proletarian ideologies and organizations.

As always, the undoing of these practices, and of the ideologies and organizations in which they have been institutionalized, can only be the result of the struggles of those who are oppressed by them. The social power which the cost-cutting race is putting in the hands of traditionally weak segments of the world proletariat is but a prelude to these struggles. To the extent that these struggles succeed, the stage will be set for the socialist transformation of the world.

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<sup>16</sup> But see Arrighi, Hopkins, Wallerstein, *Anti-Systemic Movements*, Verso, London 1989.

