When Rosa Luxemburg declared, in the revolutionary fervour of early twentieth century Europe, that the choice for the future was between barbarism and revolution, she dismissed by omission any notion of a peaceful, evolutionary path to socialism. Although Luxemburg proved to be prescient with respect to the fate of the 1919 German insurrection, the chimera of an intermediate path to socialism has continued to confound revolutionary Marxism. Various schemes for socialist transition have persisted to the present either as putative alternatives to or distorted images of Marxism in such guises as Swedish Social Democracy, African Socialism, or Euro-Communism. Whatever limited success such endeavours have had in resource redistribution, power sharing, or economic development, they have been historically specific and regionally limited. Ultimately all these “middle ways” have collapsed as models for the future of socialism in the face of the relentless globalization of capitalism as a world system. In fact, it is as much the failures of European Social Democracy in the late twentieth century as the precipitous collapse of state socialism in Eastern Europe that have led many western intellectuals to embrace the theoretical nihilism of post-modernism.

Unlike the underground role that anarchism has played in the history of the left, social democracy has been front and centre. The roots of social democracy extend to the early days of pre-Marxian socialism. It has been the dominant form of “left” theory and practice in the core capitalist countries and has had an ambiguous relationship at various times and places with revolutionary socialism. In the contemporary era of global imperialism, the question of the survival of social democracy is high on the progressive agenda. In this chapter, we intend to provide an overview of the emergence and characteristics of social democracy. While the social democratic outlook emerged prior to Marxism, in its most significant political manifestation, it represented a “reformist” offshoot from revolutionary Marxism. We will tread some familiar territory, reviewing the reformist tendencies in Lassallean socialism and the Revisionist controversy in social democracy at the turn of the twentieth century. Ultimately, the fundamental question now facing revolutionary Marxism is the need for consistent articulation of the principles of revolutionary Marxism in a situation where, in the West, there are opportunities only for reform, while revolutionary opportunities are present elsewhere.

Introduction

Originally, the term “social democracy” meant that a political party was committed to a revolutionary Marxist programme. By the 1890s, serious divisions became apparent within the national parties that composed the social democratic movement. To simplify the ideological divisions, the movement was rent by two crucial debates about strategy. The most significant disagreement was whether capitalism be transformed into socialism peacefully, through parliamentary legislation. This idea,
emerged most significantly in Germany in the largest and most successful social democratic party. In contrast, those who believed that only a revolution could bring about a socialist society, termed the movement for socialism by slow evolution “Revisionism” when it referred to Marxist theory, and “Reformism” when the focus was on practical activities.

The ideological disagreement appeared to be over the necessary means of social transformation. With respect to the goal of the movement, all social democrats envisaged a socialist future involving state ownership of productive enterprises, a planned economy, and social welfare. The disagreement was about whether it was possible for this transformation to occur through bourgeois parliamentarism and a slow enactment of reforms designed to eventually transform capitalism to socialism. In the eyes of its adherents, this strategy amounted to more than the struggle to wring reforms from the capitalist state within the strictures of capitalist relations of production. The theory of peaceful transition had some support in Marx’s political writings and, more particularly, in the writings of Engels, although the debate rested less on “authority” than on the interpretation of the laws of capitalist development and political economy.

The Revisionists believed that revolution was no longer historically probable or necessary as a means to socialism. Among revolutionary Marxists who rejected Reformism, however, there was a second disagreement about the means that were appropriate and necessary for bringing about a revolution and for creating a socialist society in the aftermath. This debate within revolutionary Marxism assumed crucial importance after the Bolshevik Revolution and the failure of the German uprising of 1919. Up to that point, both the revisionist and the revolutionary points of view coexisted within the social democratic parties of Europe (the Bolshevik Party being the important exception). After 1919, however, this theoretical disagreement led to an organizational split. The Bolsheviks differentiated themselves from the social democrats by calling themselves “Communists”, and “Communist Parties” were organized throughout the world.

As revolutionaries withdrew from the existing parties to form an explicitly revolutionary movement, the term “social democracy” came to refer more explicitly to a commitment to the doctrine of peaceful transition and adherence to the democratic procedures established in bourgeois nations, such as Britain or Weimar Germany. In their political evolution, social democratic parties became increasingly similar to other “left” or “socialist” parties that had not been influenced by revolutionary Marxism, such as the British Labour Party. Social democrats still embraced extra-parliamentary legal tactics as well as parliamentarism, the contradiction between a single-minded focus on achieving a parliamentary majority and the use of extra-legal, mass tactics having been resolved in favour of the former. As the political lines were drawn in the 1920s and 1930s, numerous individuals committed to revolutionary Marxism, although not to the precepts and policies of the Russian Bolsheviks, were left in a political vacuum. (Trotskyism was one possible organizational outlet that was analysed above). In the following section we intend to examine the evolution of social democracy in more detail, beginning with the roots of social democracy in the pre-Marxian period.
One of the difficulties with analysing anarchism, discussed in an earlier chapter, is its heterogeneity resulting from its dependence on the brilliance and energy of individual revolutionaries. The problem in analysing social democracy is its chameleon-like character, which allows it to take many different forms in different social conjunctures. While Marxism has categorically rejected anarchism, the relationship of Marxism to social democracy is much more ambiguous. This is not only because in certain of its variants, such as German Social Democracy of the Second International or Euro-Communism, social democratic theory and practice has emerged directly out of Marxism, but because of the complex relationship between the movement for reforms of the existing system and the movement to overthrow it. The relationship between reform and revolution, between social democracy and Marxism, is shaped by time and space, by the objective circumstances and possibilities for social change and the subjective consciousness of the working class and other social strata. The history of the left, as with all history, is the development of subjectivity, of theory and programme, in the context of changing circumstances.

The history of social democracy is clouded by its tendency to evolve towards, or from, liberalism making the classification of social democracy as a form of “leftism” problematic. Nowhere is the relativistic nature of the term “left” more apparent than with the variants of social democracy. Unlike anarchism, which in its purest form is atheoretical rebellion — Anarchists want to remake the world in their image by the force of will — social democracy is rooted more in ad hoc justifications for existing practicalities. So, while social democracy is not without a consistent accumulation of theories and ideas, theory is subservient to immediate needs.

Like anarchism, both socialist and communist ideologies preceded Marxism. Varieties of socialist theory subsequently co-existed with Marxism; in fact, Marx developed his own theory in the context of a life-long debate with other variants of socialism. From the beginning, however, socialist ideologies sprang from the unrealised goals of the bourgeois revolution.

**Conservative Anti-Capitalism and Romantic Socialism**

It is virtually axiomatic in Marxism that — specific to time and space -- capitalism has been socially progressive. In his bare-bones *Communist Manifesto*, Marx acknowledged the revolutionary role played by the bourgeoisie in liberating the forces of production from the traditional restraints of pre-capitalist social relations.

Necessarily, Marx studied Britain most extensively. Analysing economic change in the midst of the prolonged transition from a traditional to an industrial capitalist society, Marx attempted to distil the essence of capitalist development from its historically-rooted manifestation. In this sense, Marx believed that Britain heralded the future for all nations because the principles of capitalist development were global in their implications. While the “laws of capitalist development” were universal, because Britain was the first industrial capitalist economy, it could not be the historical model for successive developments of capitalism elsewhere. The mere existence of one industrial capitalist power altered fundamentally the conditions of existence of all other
economies and the subsequent international as well as local manifestations of capitalist development. England, then, was unique in a special way. The transition to industrial capitalism had proceeded in Britain over generations in a completely uncharted way, a way that could be understood as a transition to capitalism only in hindsight.

It is difficult to trace the genealogy of this prolonged transition. Perhaps in no other nation does the term bourgeois "revolution" have a more imprecise meaning. Yet the consequences of the development of capitalism were profound, and there were key events that propelled this revolution: the execution of Charles II and the short-lived Commonwealth; the repeal of the Corn Laws; the 1832 Reform Act. Marx abstracted from the development of capitalism in Britain specific universal features, such as the increasing commodification of all values, the proletarianization of the workforce, the tendency for capital to accumulate and become centralized, and the globalization of capital.

Intrinsic to English capitalism was also an ideological revolution. In a very practical way, the English bourgeoisie brought the concepts of individualism, equality (before the law), (limited) democracy and, above all, economic freedom, into the modern world. Implied in the concept of a “bourgeois revolution” is the potential radicalism of these ideas, expressed more fully in the ideologies of “liberty” and “equality” of the French Revolution. It is too great a stretch of the historical record to claim that the English bourgeoisie emerged as a radical under-class under the domination of a traditional, landed elite; but England was and is a society in which social class lines are sharply drawn and shape the consciousness of most people within them (as the Southern United States may be said to have been shaped ideologically by the colour line). The bourgeoisie evinced a new ideology that was significantly at odds with the dominant views of its time. In an era dominated by notions of hierarchy, inherited privilege, legal inequality, political and economic patronage, and the inherent superiority of the upper class, counter-hegemonic claims to legal equality, propertied democracy, religious liberty, and free commerce were radical.

Yet, were these ideologies intrinsic to industrial capitalism the way that commodification and globalization were? With the knowledge of twentieth century authoritarian capitalism, the belief in the inevitability of any link between capitalism and any of these progressive ideas has been thoroughly disproven. There are too many historical permutations. A variety of political institutions and social systems have been shown to be compatible with capitalist relations of production. However, to many progressive thinkers in the nineteenth and early twentieth century, the apparently progressive technology of capitalism was accompanied by an unfolding of the social and political values brought into the world by the bourgeois revolution. Everywhere and always, bourgeois theorists argued, capitalism replaced feudal tyranny with liberal democracy. Even if, under specific historical circumstances, it was necessary to revert to political dictatorship and authoritarianism, if capitalism were allowed to flourish, then the ideological components would, at some point, materialize. After all, that was part of the model of capitalist development that had transpired in Britain.

As England celebrated its pre-eminent role in the nineteenth century global economy, showcased in the Great Exhibition of 1851, it could certainly be claimed that
the views of Adam Smith’s *laissez-faire* economy and Thomas Malthus’ flint-hard utilitarianism had carried the day. The so-called gentry and Aristocracy – where they were not capitalists themselves – may still have looked down on the purveyors of trade and commerce as their social inferiors, but they were deeply in their financial debt and busily promoting the miscegenation of the new and old upper classes.

Beneath the glitter of the Crystal Palace, however, there was another face reflected in the shadows of *laissez-faire*. The wretched and oppressive living and working conditions, the terrible burdens of the labouring poor in Britain were being exposed by the Chartists and other movements of the artisan class and by budding socialists such as Friedrich Engels, who published his *Conditions of the Working Class in England* in 1843. They would be joined by middle class reformers of several political stripes. The original critics of *laissez-faire* industrial capitalism in Britain, however, had been conservatives.

Eighteenth century conservatives were attached to rural and traditional ways of life. As commercial and then industrial capitalism transformed the rural landscape, as the rural population was uprooted from home and hearth and crowded into the burgeoning urban slums, staid and provincial village life had never seemed so attractive. What emerged was a literature of social criticism, of satire and parody, romanticising the dying past and castigating the industrial present, becoming a fountainhead of anti-capitalist social criticism well into the twentieth century. It evinced an attachment to the land, and to simple technology and handcraft production that survives in contemporary capitalism in the social recesses of petty bourgeois artisanship, as well as in a romantic anti-rationalism which feeds into fundamentalist religious movements and post-modernism.

If the conservatives mourned the passing of traditional society and marginalized themselves in the new world of industrial capitalism, a more radical and complex movement of middle class revolutionaries did the conservatives one better by attempting to establish new societies based on a juxtaposition of traditional economies with more advanced social relations. Romantic socialism took the uprooted away from the urban jungles and transplanted them back to the rural landscape, where a new village communalism would flourish, becoming a model for the redemption of the whole society. Onto the foundation of agriculture and simple artisanship, the new society would graft radical new conceptions of egalitarianism and communal property in place of the socially divisive practices of individualism and private ownership. The communal and cooperative movements, it appeared, represented radical alternatives that eschewed the commodification of labour. Producers’ Co-ops could potentially, it seemed, generate a parallel and alternative economic and social system based on the democratic control of productive property. As cooperative industry proliferated, the individual capitalist would become an increasingly unnecessary and parasitic appendage. (This was despite the realization that the model co-op, in New Lanark, had been established by an eccentric and philanthropic capitalist).

These isolated pockets of technological backwardness eventually succumbed to the world of commodification and technological complexity but, for a time, they symbolized the potential transformation of oppressive industrial capitalism and
envisaged a socialist future. At least imaginatively, these Utopian Socialists posited more equitable and just relationships between people. Within the socialist movement, then, two cardinal principles were a rejection of capitalist property-ownership and the construction of a new society based on socialist principles of production and distribution.

For Marx, the distinguishing feature of genuine socialism was the transformation of the relations of production. Socialism did not hinge on the equitable distribution of wealth but, rather, on the transformation of production. One of the primary distinctions between Marx and alternative visions of socialism was the relative importance attached to distribution. For Marx, no amount of redistribution, such as through progressive income taxes or other forms of reappropriation from the capitalist class, would amount to the fundamental transformation in the relationships of people to people and people to things that would occur in a socialist society. Socialism was incompatible in principle with the commodification of labour. Hypothetically, within the domination of capitalist relations of production, the distribution of income could be made fairer. For Marx, however, such “fairness” would be illusory if it occurred within capitalist relations of exploitation. More practically, there were absolute limits to the degree of redistribution possible in capitalism; beyond this limit, which would vary in time and space, capital accumulation would be seriously affected. Revolutionary Marxism was predicated on a transformation of the relations of production that would, in turn, affect distribution relations.

For the labouring poor, however, more immediate and pressing problems dominated their horizons. The proletariat was the special creation of and the necessary condition for the continuous expansion of capital. The proletariat was both an economic class – a group of people existing in a specific relationship to capital – and a self-conscious entity with a growing awareness of the common interests of its class. Where there was collective employment, there was collective resistance; within the boundaries of national labour mobility, there was a labour movement. Most workers knew there was no going back to village life, which was receding intergenerationally. They might have had nothing to sell but their labour power, but their labour power was increasingly collective. Their ideologists grasped the radical ideas of the bourgeois revolution and applied them to their class – they sought such goals as equality before the law, freedom of the press, and universal suffrage.

They also revived older ideas of collective rights of association and attached to them the practicalities that are the core of trade union demands to this day. Trade unions were concerned with more than only the price of the sale of labour power. Labour power is unlike any other commodity in that the sellers of labour power are vitally interested in the conditions under which their commodity is sold; that is, the conditions of work. Hours of labour, worker safety, relations with direct supervisors, control over the work process, are all vital issues of negotiation with employers. A collective agreement, however, represents at best a limited compromise between the interests of labour and capital in a situation where capital is the strongest party. Again, within the limits of the domination of capital, there is room for reforms of working conditions, but they do not substitute for workers’ control of production.
The future of the labour movement and its relationship to the socialist future, then, were by no means clear. Trade unions, almost by definition, were collective organizations that sought to assist workers achieve the best possible terms for the sale of their labour power to capital at advantageous rates. In other words, accepting the commodification of labour as a given, the role of the trade union was to affect a change in the distribution of wealth in favour of the employees. At the level of the nation, in a world of bourgeois liberties and institutions, trade unions could become the vehicle for more generalized working class interests within the system of industrial capitalism if harnessed to a political party. Out of the labour movement, then, grew two institutions reflecting the promise of a better economic and political future: the trade union and the labour party representing the interests of the sellers of labour power at the level of the national government. This better future, however, could be secured within a “reformed” capitalism.

Social Liberalism

The third possibility Luxemburg omitted from her famous epigram – reformism – raises a debate that has bedevilled Marxism from the beginning. Theoretically and practically, “reform” is an ambiguous political process. In the face of the horrendous social costs of unrestrained, competitive capitalism, liberal theorists such as John Stuart Mill called on the ruling class to ameliorate the worst abuses of the economic system. In this sense, “reform” is a liberal strategy for preserving the essential elements of the capitalist mode of production in the face of potentially more radical demands from the working class. The social implications of bourgeois reforms were clear to the anarchists, for whom any mention of reform was anathema, tantamount to selling out the interests of the “people”. Bakunin, for example, rejected any measures short of system-wide revolution. For Marx, in contrast, the fight to secure reforms was an essential and progressive component of the working class movement. While the Anarchists condemned all “reforms” as “reformism”, the uncritical endorsement of reforms of existing conditions feeds into the opposite illusion: that capitalism can be transformed peacefully and will evolve into socialism by the piece-meal accumulation of ameliorative reforms.

It was just such a positivist reinterpretation of Marxism, focusing on a stages theory of inevitable evolutionary development, which dominated the working class movement at the end of the nineteenth century. This was reformism – the transformation of the necessarily short-term, tactical struggle for reforms into an ideology that replaces the necessity for revolution with the expectation that capitalism can be transformed into socialism by the evolutionary accumulation of small changes. Reformism, then, tends to merge theoretically and practically with bourgeois social liberalism. Insofar as Social Democracy still proclaims the ultimate goal of replacing capitalism with socialism, it is “Reformist”; when it becomes the movement for social fairness within the terms of the capitalist system, it becomes essentially liberalism.

In this sense, the ideology of reformism is represented by the various forms of “Utopian Socialism” that pre-date Marxism; by the evolutionary variants of socialism
such as Fabianism and African Socialism that followed a path essentially independent of Marxism; and by similar ideological developments in Marxist theory itself after Marx. All these movements have in common a condemnation of capitalism in principle, and a programme to replace capitalism with a variant of socialism.

Within Marxism, as noted above, reformism is usually linked to a theoretical trend termed "Revisionism", a pejorative epithet signalling the abandonment of what is essential to the Marxist revolutionary outlook. Revisionism is a term that embraces many theoretical tendencies that contradict revolutionary Marxism. In practice, Revisionism reflects and feeds many forms of political opportunism, from the embarrassing denouement of the Second International in 1914, to the Menshevik support for the Provisional Government in 1917 Russia, to the electoral illusions of Euro-Communism in the 1970s. More controversially, Stalin’s claim that the USSR had become a classless society, that class struggle had disappeared and the state represented the whole people, makes that theory – or at least key elements of it – a variant of Revisionism.

Social Democracy and the Capitalist State

One of the cornerstones of the dispute among anarchists, social democrats, and Marxists concerns the nature and role of the state. Anarchists regard the state as, by definition, coercive of individual freedoms and want to replace any institution of authority with voluntary cooperativeness. Social democrats (as Reformists) seek to gain legal control over the institutions of government and use them to reform the existing economic system out of existence. Marxists work towards the overthrow of the bourgeois state and its replacement by a revolutionary state, defined as an apparatus that is at once repressive (limiting the freedom of anti-socialist classes) and constructive, in the sense that it is the instrument for the conscious construction of socialism.

Theoretically, the issue of the state revolves around the question of the degree of independence between economics and politics. The theory of the state has been subject to enormous debate among Marxists. Bourgeois economics has its origins in the movement to free economic enterprise from the domination of the mercantilist state. It may be argued that, under the conditions of competitive capitalism, the state achieved the maximum of “relative autonomy” but, as Marx argued, it did so in order to satisfy the common requirements of the bourgeoisie. Throughout the era of imperialism, from the late 19th century, however, the state assumed increasing economic importance, regulating markets, promoting national economic growth through tariffs and protectionist measures and, at least in core capitalist countries, pursuing an aggressive colonial policy. Increasingly, the business of governments in core capitalist states was economic management within the boundaries of maintaining class relationships.

What, precisely, these boundaries were, however, was a crucial question. Could the autonomous state in capitalist society become the instrument for the gradual elimination of capitalism? Social democrats believed it could. The result, then, was a
merging of the points of view of social liberalism – the movement within capitalism to ameliorate the abuses of the system by instituting a state-controlled form of social engineering – and of social democracy – the movement to reform capitalism out of existence. There were clearly different conceptions of the “end” of the proposed reforms, although these were not necessarily key determinants of the day-to-day tactics of the social democratic parties. There were also differences over shorter-term tactics, over the speed of social transformation and the timing of specific measures, such as nationalization of industries. This reformist and ultimately social-liberal tendency has existed within the socialist movement since its inception. The fundamental questions concern the strength of various tendencies in time and space, and the state of class struggle in the given conjuncture – what Lenin called the concrete analysis of concrete conditions. In analysing this question, both the overall tendency of reformism to compromise with capitalist interests must be balanced with an understanding of objective and subjective conditions in the worker’s movement.

Perhaps the earliest form of “social democracy” in its more modern sense was derived from Claude Henri (a titled aristocrat known as Saint-Simon). Like Marx, Saint-Simon rejected the return to petty handicraft, rural production characteristic of the Romantic socialists and, instead, believed that the future society was to be built on the foundation of modern industry. For Saint-Simon, however, the transformation to the positive society of the future was to be the work of a coalition of intellectuals and business interests such as industrial capitalists and engineers. His ideal was a planned economy and an organized society, based on the enlightened application of reason and science to the construction of human society. The supposedly altruistic intellectual and business elite was to guide the working class in the acceptance of this new industrial order and in its construction through mass education and a new state-sponsored religion.

Saint-Simon’s idea of progressive, state-sponsored reforms was inherited by a variety of reform-minded liberals and socialists, including the Fabian Society in England. Saint-Simon represented a form of “socialism-from-above” in which an elite organized in a centralize state, guided by moral principles of fairness as well as objective models of efficiency, would engineer a more just and equitable society. The working masses would play their part as cogs in the wheel of progress and as cheerleaders for the social elite, but they would not be emancipated to control production directly or exercise political power. In Germany, however, a more grass-roots socialist movement emerged which was inspired by the leadership of Lasalle. As in the case of Saint Simon, Lasalle focused on what he hoped would be the progressive intervention of an “enlightened” state although, in his case, the German state was still in the hands of a traditional elite.

Lasalle, Nationalism, and Social Democracy

In Germany, undergoing the tribulations of unification under the iron heel of Prussia, Ferdinand Lasalle (1825-1864) the dominant revolutionary figure. Lasalle was a powerful and influential orator who was instrumental in creating the first German working class association in 1862, as a voice for German workers independent of the
liberal bourgeoisie (Kolakowski 1978: 239-240). Lasalle was a charismatic and popular leader, who carried his convictions in the courtroom and rode them on more than one occasion to jail. More an activist than a theorist, Lasalle’s theory of socialism differed from Marx’s most profoundly in his conceptions of the nation and of the state. Lasalle was, above all, a nationalist who believed the German nation was destined by providence to lead humanity. The intensity of this nationalist strain, with its roots in the conservative side of Hegelianism and its future in German National Socialism, was particularly strong, though not uniquely so, in German Social Democracy.

The German nation in Lasalle’s day existed more as a concept than a reality. In the context of German disunity, both Marx and Lasalle regarded national independence as progressive. They differed, however, on Prussian (military and aristocratic) domination of the new Germany. For Lasalle, the state was not fundamentally an organ of class rule, but a universally necessary institution that united the individuals of a nation into a moral whole. Since, for Lasalle, the nation overrides class interests, the state could become the instrument for the reconciliation of class differences in the interests of the nation as a whole. In fact, Lasalle believed that the German workers should form an alliance with the conservative landowners and state bureaucrats in an anti-bourgeois coalition. Not only would such an alliance fulfil the German mission to lead humanity to civilization and progress, the German state would become the instrument for the liberation of the proletariat through the formation of state-sponsored workers’ co-operatives. The co-ops would replace competitive, private interest, so inimical to the interests of workers and, more importantly for Lasalle, to the interest of the German nation as a whole.

Lasalle’s worker’s party remained aloof from the First International when this first attempt at institutional internationalism was founded in September, 1864, the month following Lasalle’s death by misadventure. Like Christ, Lasalle had a very brief period of “ministry”, but his influence in the German worker’s movement extended well beyond his death.

By 1872, when the First International was effectively dissolved (by being moved to New York), numerous other socialist parties had come into existence, including a German Social Democratic Workers Party (known as the Eisenach party) with close links to the trade unions which was founded by Wilhelm Liebknecht (1826-1900) and August Bebel (1840-1913). The differences between the Eisenach and the Lassalleans wings of the German movement sharpened during the Franco-Prussian war. Consistent with their German nationalism, the Lassaleans initially supported the war. Bebel and Leibnecbt refused to support war loans, demanded that Prussia extract no territorial concessions, urged a speedy peace, and were jailed for treason.

In 1875, the Lassallean and the Eisenach wings of the worker’s movement held a joint conference in Gotha that united the two groups in the German Social Democratic Party (SPD) and promulgated a common platform known as the Gotha Programme. Marx criticized the draft programme virtually line by line in what Engels and Kautsky published in 1891 as the Critique of the Gotha Programme. In his critique, Marx argued that the document was inconsistent with key principles of socialism and was largely Lasallean. Until 1891, however, Marx’s objections were not widely known.
The Gotha programme, Marx claimed, focussed attention on the fair distribution of the product rather than directly on production. What Marx called “vulgar socialism” treated the distribution of the product “as independent of the mode of production and hence [presented] socialism as turning principally on distribution” – a view he labelled “retrogressive” and located its source as an idea “taken over from the bourgeois economists” (Marx 1962:25). The Lassallean emphasis on distribution irrespective of the mode of production would lead to the view that the ‘reform’ of the distribution could be achieved within the capitalist mode of production by, for example, progressive taxation. Without the theoretical foundation that grossly unequal distribution is inherent to capitalism, this view feeds reformist illusions, Marx argued.

Second, the Gotha Programme demonstrated Lassalle's "worship" of the state. For Marx, existing capitalist society is the basis of the state; the Gotha Programme "treats the state rather as an independent entity that possesses its own intellectual, ethical, and libertarian bases" (Marx 1959: 127, emphasis in original). The fundamental point, for Marx, was that the state was essentially a capitalist state; it had to be overthrown and a worker’s state established in its place. While Marx was never very specific about the form that a future socialist state and society would take, in the Critique of the Gotha Programme he speculated about the period of “socialism” that would commence following the proletarian revolution, when society was still burdened with the structures and ideologies of the past. Between bourgeois society and the future communism, Marx said, is a "political transition period in which the state can be nothing but the revolutionary dictatorship of the proletariat" (Marx 1959: 127, emphasis in original). Marx’s discussion of the period of transition was to be central to Lenin’s conception and practice of socialist construction, and to the later Chinese revolution. This phrase “dictatorship of the proletariat” later became a touchstone in the debate between the reformists and revolutionaries.

Lassalle’s flirtation with Bismarck was echoed in the Gotha Programme’s call for "the establishment of producers' co-operative societies with state aid" (: 125, emphasis by Marx). These co-operatives were not to be established by the workers in "the revolutionary process of transformation of society" but, rather, were to be called into being by the German state (: 125). For Lassalle and his followers, it wasn’t even necessary to have a working class majority in the Reichstag; the existing German state (an alliance of conservatives and militarists) could be convinced to implement progressive goals; working class institutions could be built through state aid "on such a scale that the socialist organization of the total labor will arise from them" (: 125). Bismarck did pass some beneficial legislation but only after a period when, under the anti-socialist laws, Social Democratic and trade union agitation had been banned.

The Gotha Programme, then, did not envisage an overthrow of the existing state but, instead, put forward the policy of seeking reforms to be granted peacefully by the Bismarck-dominated state, what was, for Marx, a "police-guarded military despotism" (: 128). Even the bourgeois democrats, Marx replied, did not commit themselves to keeping "within the limits of what is permitted by the police" (: 128).

When Marx’s Critique was finally published in 1891, it was in the midst of another debate about the theoretical and practical orientation of the German Social
Democratic Party. According to MacLellan (1979:22), while Lassalle’s legacy predominated in the Party, his influence was gradually eroded by the anti-socialist legislation promulgated by Bismarck (1879-1890). Rather than becoming a partner in the building of democratic reforms and co-operative socialism, the German state appeared ever more clearly to be the tool of an alliance between the landowners and the industrial bourgeoisie.

After Bismarck repealed the anti-socialist laws, however, and trade unions became reactivated, the German SPD used its mass base to insert itself increasingly successfully into the parliamentary forum. Lasalle might have been wrong about the progressive nature of the Junker state, but the electoral successes of the German Social Democratic Party in the 1890s fostered a vision of “capturing” parliament peacefully. In fact, the swing towards the SPD was linked to a series of reforms implemented by the German state, particularly in the period of German prosperity and expansionism in the 1890s. As the century neared an end and capitalism entered a distinctly new phase, the question arose whether Marx’s economic theories were still applicable in the context of the rise of monopoly capitalism and modern imperialism, a period dominated by the ideology of “monopolistic nationalist liberalism” (Amin 1998: 36-37). Did the era of monopoly capitalism necessitate a changed practice and theory? Within the German Social Democratic party, the model Marxist party of its time, a “Revisionist” point of view emerged in opposition to Marx’s revolutionism.

The split personality evinced by the German SPD in its early period continued in a new form in the period of legality. During the 1890s, a left-wing intelligentsia led by Karl Kautsky dominated theoretical debates and advocated orthodox Marxism. At the same time, the practice of the Party was confined to demands for trade union rights and for the liberties of bourgeois democracy. These two tendencies, MacLellan points out, were reflected in the new Party programme drafted in Erfurt in 1891 (1979:23). Engels, who survived until 1895 and was the remaining organic link between the German SPD and Marx, approved the draft. Although Sweezy and Magdoff conclude that Marx’s critique of Lasalle had won out (1976:3), the Erfurt draft was a compromise between the two main tendencies within the Party. The theoretical part, drafted by Kautsky, reflected the Marxism of the Communist Manifesto. Eduard Bernstein drafted the more immediate and practical section. Bernstein would subsequently become the dominant figure in the controversy over the need to “revise” Marxist political economy.

Reformism and Revisionism

Bernstein had emerged as key figure in the German SPD during the period of illegality. He was initially a close collaborator of Karl Kautsky and opponent of the “right wing” in the German SPD, which advocated close ties with German liberals. After the death of Engels, however, Bernstein initiated a debate over revising Marxist political and economic theories in the light of the changed circumstances of late-19th century capitalism. Bernstein did not create his views out of whole cloth. During the anti-socialist period in Germany he had lived in exile in England where he became a collaborator of Engels. While in Britain, however, Bernstein also became intimate with
the ideas of a clearly reformist socialist group known as the Fabians. When Bernstein returned to Germany in time for the Erfurt Conference in 1891, he began to infuse Fabian ideas into the German SPD.

The Fabian Society in Britain, founded in 1883, assumed that capitalism had changed fundamentally since 1848 and that a revolution was not necessary to achieve the goals of the socialist movement. The transition from capitalism to socialism was to be a gradual process. Industry was to be socialized through the peaceful use of the existing economic and political agencies. The extension of the franchise to the working class had made Britain genuinely democratic and created, in Parliament, the instrument that could slowly reform capitalism out of existence. The agent for this change was, above all, the emerging "middle class" which could be won by "arousing ... the social conscience of the community in favour of the socialist ideal". The middle class would develop the techniques of administration with which they would administer the new social order (Laidlaw 1933: 229). Socialism – like temperance – was, essentially, a moral movement that could win over the educated middle class and the literate workers.

Fabian socialism was evolutionary and positivist. The socialist future would evolve out of the principles of equality and freedom enunciated by the bourgeois revolution, bringing these ideals to actualization. Liberalism had created the political institution appropriate for slowly modifying society by enacting progressive legislation; the task of the state was to create economic democracy through state ownership and planning. Fabianism was an intellectual movement that condemned capitalism on moral grounds. Lenin was thoroughly dismissive of this version of English socialism, regarding the Fabians as liberals in socialist clothing and quoting Engles' summation, that they were "'a band of careerists'", approvingly. For Lenin, "Fear of the revolution is their fundamental principle. They are the 'educated' par excellence. This socialism of theirs is ... presented as an extreme but inevitable consequence of bourgeois liberalism; hence their tactics, not of decisively opposing the liberals as adversaries but of ... intriguing with them, or permeating liberalism with socialism.... With great industry they have published ... some good propagandist writings.... But as soon as they get on to their specific tactics of hushing up the class struggle, it all turns putrid.... These people have of course many bourgeois followers and therefore money" (Lenin, Collected Works, 12: 370-371).

The Fabian perspective was advocated by the Independent Labour Party in Britain. For the ILP, in Lenin’s words, "the great function of the House of Commons ... is to translate into legislation the socialism that is preached in the country." In order to achieve this result, the ILP sought to co-operate with the liberals, leading Lenin to conclude that the ILP was "independent of socialism but dependent on the liberals" (Lenin CW 17: 176-177). Lenin attributed this reformism to "the specific historical conditions of the latter half of the nineteenth century in Britain, when the 'aristocracy of labour' shared to some extent in the particularly high profits of British capital" (Lenin CW 19: 55). Where the socialist party was not sufficiently strong to "win" a parliamentary majority, reformists such as the Fabians advocated an alliance with the Liberals to influence the direction of legislation.
Participation in a bourgeois government was not supposed to be an end in itself, but to be a springboard for subsequently achieving a majority and easing the nation into socialism. In France in 1899, Alexandre Millerand became the first socialist to be enlisted by a Liberal majority government and given a position in the Cabinet. The tactic was supposed to reveal what one socialist could accomplish with a modicum of political power, throwing into relief the possibility of what an elected socialist government could do, and throwing into the dustbin the call for revolution. Millerand later abandoned socialism altogether, emphasizing the point that such tactics, if they do not inevitably lead to cooptation, at least generally risk sacrificing the long term interests of socialism for immediate, and often personal, advantage.

Reformism was not confined to France and Britain, however. The Fabians provided the model for a reformist trend within the German SPD. It is ironic, Sweezy and Magdoff (1976: 3) point out, that at the time the German SPD adopted the Marxian Erfurt Programme and was "becoming something of a model for the whole international socialist movement, in practice it was becoming more and more reformist", the ambiguity between theory and practice pointed out above being reconciled in favour of the latter.

For Lenin, once Marxism achieved some theoretical dominance, the struggle over ideology and practice became internal to the Marxist parties rather than external to them. In practice, the issue facing revolutionary Marxism outside Russia was how to respond to demands for immediate reforms in a way that helped realize them and also fulfilled the ultimate aim of revolution, thereby avoiding “reformism”. While many anarchists dismissed social “reforms” as illusory and counter-productive, reforms are a necessary component of class struggle. Lenin, for example, argued that he was not opposing reforms, only reformists: those "who, directly or indirectly, restrict the aims and activities of the working class to the winning of reforms. Reformism is bourgeois deception of the workers who, despite individual improvements, will always remain wage-slaves as long as there is the domination of capital” (Lenin CW 19: 372).

Just as reforms of existing circumstances cannot be rejected out of hand, despite their inherently dual nature, so, too, must theory be modified by changed circumstances. Concerning the question of theory, to fail to “revise” Marxism consistent with new contingencies makes it an article of faith, a theology. Arguably, no Marxist revised Marxism more significantly than Lenin. The debate over “Revisionism”, then, is a debate about the ways that concrete economic and social conditions had changed since the principles of Marxism were enunciated, and to what extent, if at all, Marxist theory ought to change to better guide practice. For Revisionists such as Bernstein, circumstances had changed so fundamentally in the core capitalist countries that many key elements of Marxism, including the necessity for a revolutionary break with bourgeois society, far from being inevitable, were no longer necessary or possible.

**Bernstein and Revisionism**

In many ways, the 1890s in Western Europe were decades where reform appeared to be possible and revolution impossible. The massacre of the French
Communards was still recent memory. Autocratic governments predominated on continental Europe. Socialist parties were involved in the day-to-day practicalities of the class struggle, none more than the largest and most influential party, the German SPD. Even the revolutionary wing of the German party was concerned to prevent "adventurism" in a political context where class consciousness among the working class seldom extended beyond trade union demands. When the Second International was established in Paris in 1889, on the anniversary of the French Revolution, its criteria for membership embraced political parties that held socialism to be their aim, and also agreed that "legislative and parliamentary action [w]as one of the necessary means of attaining that end" (Lerner 1982: 73). The qualification "one" meant that parties which adopted revolutionary means were not excluded provided they also accepted – as the anarchists did not – the need to engage, in the short run at least, in legal parliamentary tactics. But no reformist party that eschewed revolution could be similarly excluded.

The dominant practical orientation of the organizations that comprised the Second International was, from its inception, reformist. As in the German SPD, the official ideology of the International was revolutionary Marxism; the practice, however, was reformism. And the practice reflected the class consciousness of many trade unionists and parliamentary deputies in the party.

The first prominent member of the German SPD to take an openly reformist position was Georg von Vollmar, a Munich deputy in the Reichstag who preached "slow organic evolution" to socialism (Laidler 1933: 274). Gradually, Bernstein was converted to this view. In 1895, the year of Engels' death, Bernstein began to print criticisms of Marx in the Party journal, publishing articles arguing that Marx's theories had to be substantially revised to meet contemporary social and economic conditions. The title of Bernstein's influential pamphlet, Evolutionary Socialism, expressed the essence of his gradualist view. The SPD's Hanover Congress in 1899 spent three days debating Bernstein's views and passed a resolution dissenting from them (Laidler 1933: 274). This vote revealed the considerable gap between the increasingly reformist practice of the Party and its official Marxist ideology.

Bernstein based his arguments on the economic changes sweeping Germany in the 1890s. The working class was not growing absolutely poorer; the peasantry and middle class generally was not disappearing; class polarization was not taking place; a "new middle class" had emerged as a product of the new economy; property ownership was becoming more widespread as a result of the creation of joint stock companies; capitalist crises were becoming less severe and were better managed by the capitalist state; capitalism was becoming more pacific. In fact, capitalism and imperialism rested on a foundation of extensive trade that required national regulation and international peace. In these circumstances, the objective conditions necessary for revolution were becoming more remote. In addition, capitalism was organically linked to the expansion of liberal democracy. The bourgeois state may be under the predominant influence of the bourgeoisie, but given universal suffrage, an educated workforce, and the moral superiority of such socialist policies as equal distribution and industrial democracy, a parliament with a majority of socialists could quicken the pace of social reform and pave the way for socialism.
In *Evolutionary Socialism*, Bernstein postulated a steady advance towards socialism which relied on the methods of bourgeois democracy:

The right to vote in a democracy makes its members virtually partners in the community, and their virtual partnership must in the end lead to real partnership. With a working class undeveloped in numbers and culture, the general right to vote may long appear as the right to choose the 'butcher'. With the growing number and knowledge of the workers, it is changed, however, to the implement by which to transform the representatives of the people from masters into real servants of the people. 

Universal franchise is the alternative to a violent revolution. (Bernstein 1909: 144-146)

Is there any sense, for example, in maintaining the phrase of the 'dictatorship of the proletariat'?

The phrase is today so antiquated that it is only to be reconciled with reality by stripping the word dictatorship of its actual meaning and attaching it to some kind of weakened interpretation. (Bernstein 1909: 164-165)

Above all else it was the successful growth of capitalism and its political ideology, liberalism, which made a peaceful transition possible. Socialism was the legitimate heir of liberalism. According to Bernstein, "Feudalism ... had to be destroyed nearly everywhere by violence. The liberal organizations of modern society are distinguished from those exactly because they are flexible and capable of change and development. They do not need to be destroyed but only further developed" (Bernstein 1909: 165). Bernstein (1909: 197) concludes that the German SPD must "emancipate itself from a [revolutionary] phraseology which is actually outworn" and openly proclaim itself what Bernstein believed it actually was: "a democratic socialist party of reform .... [A] party that strives after the socialist transformation of society by the means of democratic and economic reform."

For Bernstein, in one of his most memorable phrases, the movement is everything, the end nothing. You cannot achieve a just and democratic society without using just and democratic means. Revolutionary Marxists claimed that there was a limit to the ends that can be achieved by playing the parliamentary game. Social democratic governments accept, in principle, the rules of this game according to which the loss of a socialist Parliamentary majority in a subsequent “free” election, resulting in the reversal of the socialist-tending reforms, must be accepted as the will of the majority. In the long run, Reformists maintain, the socialist mission will proceed. It is the only course of history that is consistent with the highest moral precepts; it is the only system which represents the real interests of the majority of the population and, speaking in contemporary terms, with the limitations and requirements of physical sustainability; it
may even be the end to which the capitalist system is (unconsciously) tending. The eventual victory of socialism is inevitable.

As revolutionary potential shifts to the periphery, and as core capitalist countries become, in the normal run of affairs, non-revolutionary, the question arose: what is the role of a revolutionary party? Bernstein’s answer was that you don’t need a revolutionary party in a situation where revolution is impossible. Bernstein, and Kautsky later, claimed that all that is necessary is to win the battle of democracy. The same economic conditions that make revolution increasingly unlikely are creating the conditions for a peaceful transition. Once again, as in the origins of the socialist movement (and as in Fabianism), socialism is essentially a moral idea. The existing distribution of the product is unjust, and properly-educated people can come to perceive it as unjust. Since only the SPD stands for economic and social justice for the majority, under conditions of bourgeois freedoms, the SPD can win the battle for democracy.

In this political theory, revolutionaries are as much a problem as the capitalist class, and potentially more. They are dangerous because precipitous actions can cause the state, still in the hands of the bourgeoisie, to react with repression, to undermine the bourgeois freedoms that have become the necessary conditions for the victory of socialism. By its role in the defeat of the 1919 revolution in Germany, the right-wing rump of the SPD revealed the counter-revolutionary nature of social democracy in that type of conjuncture. The weakness of the SPD was revealed, above all, not in its failure to secure state power, but what it did when it achieved some power within the state. In 1933, Social Democracy rolled over in the face of Hitler. When Fascism did triumph in Germany, it did so primarily on the basis of extra-Parliamentary agitation, in fact, terror – what Jack London called the “iron heel”.

Certain aspects of Marxist orthodoxy supported Bernstein’s revision of Marx. Against the orthodox position of Kautsky, who held that capitalism was heading, by inexorable law, to a final breakdown, Bernstein adopted a position that was similar in its determinism but different in its conclusion. In Bernstein’s view, the replacement of competitive by monopoly capitalism and the accompanying expanded role of the state as economic manager, were evolutionary steps in the direction of socialism. Socialism, in fact, was the end to which capitalism was slowly evolving. It was counter-productive to attempt to hasten this evolution. Hence, the movement was everything for Bernstein; the end was inevitable.

Within the German SPD, the revolutionary wing, led by Bebel, Liebknecht, and Kautsky, opposed Bernstein. Bebel introduced resolutions at both the Hansa (1899) and the Lubeck (1901) conferences against the revisionists, the latter directly specifying Bernstein. At neither conference, however, were Bernstein and his followers expelled (Laidler 1933: 273). The Party ideology continued to reflect the revolutionary principles of Marxism. Even the revolutionary wing, however, was concerned to avoid “adventurism”. After the 1905 revolution in Russia, the revolutionary perspective appeared to be vindicated. The SPD adopted the tactic of the mass strike. However, over time, so many conditions were imposed on actually calling such an action that it became nothing but a dead letter. Above all, most of the revolutionaries (Rosa
Luxemburg was the most prominent exception) feared arousing repression from the state. It was a sharply ironic position. On the one hand, state repression would slow down the inevitable progress of the SPD in bourgeois elections. On the other hand, however, the fundamental question was just how far the bourgeois state would go in allowing the SPD to gain formal power and, more fundamentally, actually implement changes that would undermine capitalism. Social democracy makes a fetish of the rule of law in a situation where the dominant class is wedded only to power, not to the formal mechanisms of exercising it.

Bernstein did not succeed, before 1914, in having party theory revised to be consistent with the reformist practice. In the end, however, it did not matter. When, at the outbreak of the European War of 1914, the SPD voted in its normal bloc-vote pattern in favour of authorizing war credits, the party effectively abandoned revolutionary Marxism. For Lenin, the nature of revisionism is best summed up in its attitude to the ultimate aim of the socialist movement. 'The movement is everything, the ultimate aim is nothing' -- this catch phrase of Bernstein's expresses the essence of revisionism.... To determine its conduct from case to case, to adapt itself to the events of the day and to the chopping and changing of petty policies, to forget the primary interests of the proletariat and the basic features of the whole capitalist system, of all capitalist evolution, to sacrifice these primary interests for the real or assumed advantages of the moment -- such is the policy of revisionism. And it patently follows from the very nature of this policy that it may assume an infinite variety of forms and that ... every more or less unexpected and unforeseen turn of events ... will always inevitably give rise to one variety of revisionism or another. (Lenin CW 15: 37-38)

In Lenin's view, the reformists and revisionists in the German SPD were "thoroughly imbued with faith in bourgeois legality" and "steeped in constitutional illusions". They did not understand "the historical limits of this legality" nor the "historical conditionality of constitutional institutions." Bourgeois legality was assumed to be eternal (CW 16: 305-309). It was necessary, Lenin countered, to see historical circumstances as specific. In his view, "real ... history includes ... both slow evolution and rapid leaps, breaks in continuity" (Lenin CW 16: 349).

In the view of Sweezy and Magdoff (1976: 5), after the SPD and the trade unions were legalized in late nineteenth century Germany, they "set about winning for their workers a share in the prosperity of the burgeoning German economy". Thanks to their own strong organizations and a paternalistic state with access to expanding resources of surplus value, the German workers fared well by capitalist standards in the decades before the First World War, as Bernstein realized. An important part of the process, as both cause and effect, was the proliferation of large political (party) and economic (trade union) bureaucracies firmly rooted in the existing socio-economic order. The highly productive economy of monopoly capitalism permitted the progressive bourgeoisie to implement a conscious strategy of reformism in opposition to revolution (Lenin, CW 17: 229).
Within the German SPD, the most implacable opponent of Revisionism was Rosa Luxemburg whose *Reform or Revolution?* (1970) was a refutation of Bernstein. In her view, Bernstein’s slogan that the “end was nothing” meant he had effectively renounced the goal of all socialists, thereby placing “him squarely among the bourgeois democrats.” As with Lenin, Luxemburg argued that Bernstein’s “clear distinction between reform or revolution was basically the presentation of the petty-bourgeois trend in the labour movement” (1970: 8). Revisionism amounted to passing off the views of vulgar bourgeois economics as socialism and was theoretically grounded on a theory of capitalist standstill (: 29). Bernstein concluded that, with the exception of certain imbalances, the capitalist system (through credit, cartels, government regulation) had solved its major contradictions and that, consequently, it was unrealistic to hope for a final collapse. Luxemburg demonstrated, however, that the contradictions of capitalism had not ceased to operate and that the mechanisms of stability outlined by Bernstein contained, themselves, the germs of future crises (: 8).

The revisionists propounded the theory that the evolution of reforms was capable, by itself, of transforming capitalism into socialism. For the revolutionaries, reforms merely prepared the subjective conditions for revolution while, “for Bernstein and Co., they objectively realized socialism!” (Luxemburg 1970: 24). Luxemburg agreed that the development of the productive forces leads necessarily towards greater socialization, but argued that the political and juridical relations had developed in an increasingly capitalist direction (: 24).

Reformism and revisionism were, therefore, reactionary rather than progressive. They do not "lead to the final goal of socialism but move in a precisely opposite direction” (Luxemburg 1970: 25). Reformism, whether in the hands of self-proclaimed bourgeois democrats or revisionists, becomes a means for shoring up capitalism rather than a means for its destruction. It attempts to smooth over contradictions and reconcile class antagonisms. It is, then, class-collaborationist. Revisionism, Luxemburg argues, might be the best means to control the class struggle and preserve capitalism, making it effectively a counter-revolutionary movement. Her words were prophetic. In the confusion following the First World War, Friedrich Ebert, a right-wing member of the SPD, established a provisional government. In 1919, sensing the parallels between the German situation and that facing Lenin in 1917, the German revolutionaries launched an insurrection. With the support of the “socialist” government, however, the military arm of the state – the police and the army – quelled the rebellion and murdered Luxemburg and Liebknecht. The German SPD subsequently became in theory what it had been in practice: openly reformist. In fact, as this term is defined above, the SPD ceased even being “reformist” in favour of advocating reform of the manner in which the capitalist class conducted business as usual. The victory of Marxism over Lassalleanism in the 1891 Erfurt Programme was entirely hollow. Eventually the SPD eschewed any connection with Marxism altogether, becoming a social liberal party associated with Keynesian reforms which, through the welfare state, modified slightly the distribution of wealth in Germany.

Other “social-democratic” parties, based to a degree on the interests of the working class within the existing relations of production, were elected into legislative
power in other European nations in the post-1945 world, most successfully in the Scandinavian countries. The most radical of all was the British Labour government (1945-1951) which embarked on an unprecedented wave of nationalization, including transportation, utilities, the iron and steel industries, and the coal mines. Even the Bank of England was nationalized. Furthermore, the Labour government established the first “welfare state”, the heart of which was nationalized medicine. It appeared to be a promising beginning; in fact, there was no armed revolt of capital to protect its interests. The economic and social situation was propitious for making major changes. The working class had emerged from the war in a position of greater relative power and the rhetoric of having fought a war for democracy against fascism weighed against a military putsch. Maybe the reformists were right: the capitalist class was more committed to the rule of law than to their own economic interests.

However, in many respects the times were not propitious, and capital has other weapons in its arsenal short of a putsch. The Marshall Plan, which re-built the economies of central Europe as a bulwark against Russian expansion, largely by-passed Britain which, at any rate, appeared to the Americans to be engaged in a socialist experiment of its own. Britons began to feel that Germany, in effect, won the war as they faced rationing years after 1945. Perhaps the greatest irony in this move towards socialism with a British face was that when Labour acquiesced in the loss of its parliamentary majority in favour of a Conservative government, the subsequent Conservative majority did not dismantle the system wholesale. The Conservatives preserved much of the edifice of the welfare state as well as most of the nationalized industries. The political spectrum had taken a left-wing turn; at least until 1979 and the election of Margaret Thatcher. Not until 1979 would the British experiment in a “mixed-economy” be reversed. Social democratic parties might have been the most consistently Keynesian, but they were not exclusively so. The British experiment in state capitalism demonstrated, above all, the limits that reform could achieve in practice in the most propitious period. In the post-WW II world, social democracy has undergone a transmogrification, repudiating its Marxist heritage in favour of explicit acceptance of the parliamentary rules of the political game.

Nationalization on the scale of the British Labour Party of 1945-51 was never attempted again by a social democratic party. When the Social Democratic Party came to power in Germany, it did so following an explicit disavowal of Marxian socialism and an acceptance of the pre-eminence of the capitalist market. Nationalization might be advocated in specific dying and unprofitable industries, in order to sustain regional economies or national interests, as well as political pluralities, but it did not have any of the ideological meaning suggestive of a step towards socialism (except in the rhetorical posturing of the extreme right). Rather, a notion of the “mixed economy” prevailed; some state ownership of isolated islands in the sea of private enterprise, connected to a cradle-to-grave social security net. The welfare state was the fruit of social liberalism in its social democratic guise. In the sense it is being used here, it was not even the fruit of “reformism”, which implies a political programme committed to the goal of socialism.
Over the course of the twentieth century, the actual evolutionary path has not been from capitalism to socialism – conceived as alternative relations of production – but has occurred within the social democratic parties themselves as they have evolved away from socialism. In countries where they have won electoral majorities, social democratic parties, both practically and theoretically, became managers of corporate capitalism and the welfare state. In the process, they explicitly abandoned any vestiges of Marxist theory and rhetoric that remained in the interests of developing a broader class alliance for fighting electoral contests. “Socialism” came to mean, for the right as well as the social democratic “left”, a regulated economy (including public ownership in cases of necessary but unprofitable enterprises) and the welfare state. So Social Democracy becomes embedded in the capitalist system as the conscience of the system, emerging first as the most Keynesian, and evolving in the contemporary era of global imperialism as the party that will dismantle the welfare state in the most apologetic manner.

It is certainly an historical irony that, after the social rebellions of the 1960s collapsed, many “Communist Parties” in Western Europe followed the same track that had been laid down by the social democrats after World War One. As Social Democracy became explicitly committed to the economic as well as the political status quo and eschewed their socialist past, the remnants of the Third International emerged as the new reformists and were shunted onto the vacated platforms. As the social democrats became born-again social liberals, the Communist Parties of Western Europe identified a vacuum on the reformist left. Following a path already blazed by the parties of the Second International, European Communist Parties disavowed Marxist-Leninist politics, discarded the rhetoric of the “dictatorship of the proletariat”, distanced themselves from the policies of the Soviet Union (discredited in its repressive policy in Eastern Europe, principally in Czechoslovakia in 1968). The Euro-Communists, as they were known, cut adrift what they regarded as their revolutionary Marxist baggage in favour of explicit reformism and embraced parliamentary democracy strategically. In 1975, the Italian and French Communist Parties explicitly defined their participation as one among a plurality of parties in the electoral process as the democratic road to socialism. Despite their renunciation, however, electoral successes of any significant kind did not follow. Just as history repeats itself a second time as farce, the Euro-Communists did not follow the social democrats into parliamentary power, despite some temporary vote-shifting. By the 1990s, as neo-conservatism triumphed and the erstwhile social democrats moved even more explicitly to the right (as in Britain’s “New” Labour), reformist-Communists became an absurdity in more than merely name. Without question, however, they precipitated a crisis of terminology similar to the decision to differentiate “communists” from “social democrats” in the early part of the last century.

What of the “New Left”, then? We have already discussed the anarchistic tendencies that were apparent among the New Left. To call the “New Left” a failure is to imply that there was anything in it that had a chance of success. The “New Left” fed into a number of political options, including urban terrorism, Maoism, and Trotskyism (which is never short of new, youthful, idealistic recruits), as well as into “new social movements” such as feminism and environmentalism. One of the typical outcomes of
this radicalism was a rediscovery of Marxist theory and the multiplication of numerous neo-Marxist theoreticians securely rooted in the universities. We don’t intend to differentiate among the various contending schools of neo-Marxism. In general, they confined their increasingly esoteric attention to political economy rather than political theory.

Among many of them, however, including some who passed through the “new-Communist” movement of the 1970s, the question of political involvement was still salient. Aside from active involvement in the myriad of social movements that have accompanied globalization, perhaps the most typical path of political engagement for neo-Marxist academics was into the existing social democratic parties. Inevitably, this meant an internal “left” presence and implied a notion of boring-from-within, of pushing the Party – or “waffling” to use a Canadian phrase – leftwards. While the results of this strategy have been minimal, the counter-tendency has been overwhelming. Social democratic parties have stampeded to the right. In the process, they have created a serious dilemma for those social democrats still committed to socialism of a more profound sort than welfare capitalism, but who are still opposed to the Leninist model of organization. More broadly, as formal social democratic parties abandon everything except the contest for electoral victory, even extra-parliamentary activists have been abandoned.

But if only reforms are on the agenda in the core countries, a second question, however, naturally arises: Does social democracy have a future? Social democratic parties are constrained by national boundaries. Insofar as social democracy reflects nationalistic sentiments, they may represent the best bet to minimize the effects of globalization in the interests of preserving the remnants of the welfare state. But national Keynesianism has had its day. And what of organized labour? Historically, social democracy has been inextricably tied to the national labour movement. While capital has been globalized, no equivalent “liberalization” has occurred for labour. In this sense, labour is increasingly unfree relative to capital.

What, then, of global Keynesianism? As the contradictions of *laissez-faire* globalization exacerbate social inequalities and foment local rebellions that have the potential for wider linkages, does capitalism still have up its sleeve a global social liberalism and welfare state? Social liberalism and social democracy achieved some very modest redistribution of income in the core and semi-core capitalist nations. Is a similar small-scale redistribution of income possible on a world scale? Arguably, of course, a redistribution has already occurred as a result of neo-liberalism – from the poor to the rich everywhere, and from the poor countries to significantly large strata among the rich countries. It is from these alignments that neo-liberal parliamentary majorities are constructed in places such as Ontario and Alberta. Ironically, however, where people do turn to supposedly social democratic parties (as in Britain or France), or to presumably more social liberal ones (as in Canada and the U. S. Democratic Party), the entire political spectrum has rotated on a right-wing axis. The imperatives of neo-liberal globalization are the accepted parameters within which the interests of national-based capital must be considered. Mergers are encouraged to create conglomerates equivalent to the international competition; the social burden of taxation
on the corporations or the incomes of the rich are being eliminated on the same specious grounds. Fundamentally, however, despite these obvious global contradictions, no political structure of an equivalent global magnitude is on the historical horizon. It is the state within the nation that negotiates trade concessions and accepts the dismantling of the welfare reforms of Keynesianism. In fact, formal social democracy is still rooted in the nation state.

Conclusion

The crucial theoretical question concerns the relationship of the state to civil society. For Bernstein, bourgeois liberalism was an inevitable stage in the evolutionary development of society, and there was a necessary causal link between the development of capitalism and the evolution of bourgeois democracy. But, as Luxemburg had demonstrated, there was no necessary connection; bourgeois democracy is a rarity rather than a norm. Furthermore, she argued that the trend towards militarism (and imperialism) would force bourgeois democracy into the arms of reaction (1970: 40-41).

As Luxemburg pointed out, Bernstein held a metaphysical view of the state as representing the whole of society rather than being a class state (1970: 20). Hence, the crucial importance of distinguishing between 'parliament' and the 'state'. The state is fundamentally a repressive institution and contains overt instruments of coercion (police, prisons, the standing army). The state may, as well, include some forms of bourgeois democracy, but the attachment of the bourgeoisie to one method or another of political rule depends on expediency and class interest.

It is generally recognized that Marx did not explore political theory thoroughly in his writings. Marxism was conceived in an era of revolution – 1848 – when the issue of revolutionary consciousness seemed unproblematic. When the revolutions of 1848 were defeated, Marx sought an explanation for the failure and found the answer, not in political theory, but in political economy. The proletariat was not sufficiently developed as a class to lead a revolution in its own interests; at best in central and Eastern Europe, bourgeois revolutions were imminent. Marx focused his analysis on the objective conditions of revolution, on the dynamics of the capitalist mode of production that were creating the proletariat, and the crisis tendencies that would ultimately push it to revolution.

Marx developed his political economy after 1848 at a time when revolution was not practically imminent. Marx often spoke as though he expected a revolution in his lifetime, but this wasn't because he sensed the emergence of mass revolutionary consciousness; rather, he understood that the laws of capitalism were creating the conditions that would lead to the development of such consciousness. A theory of political revolution in embryo does emerge from Marx's analysis of the Paris Commune, but it remained fragmentary.

The experience of the Commune was very important because it revealed that a revolutionary situation emerges out of crises that do not necessarily originate directly from the contradictions of capitalism. It confirmed Marx's belief that the proletariat was
a revolutionary class, that it had the potential to rise in open rebellion and, once again as in 1848, that the bourgeois state would be vicious in its repression. Yet, even in his critique of the Gotha Programme, Marx does not develop a theory of revolutionary leadership. There is a sense of inevitability in Marx’s political economy that allows one to assume that, given the appropriate economic conditions, capitalism will be unable to resolve its internal contradictions and, in such a circumstance, the development of revolutionary consciousness is unproblematic.

Bernstein, for his part, did not develop his reformist theory in a period of mass revolutionary action but in the era of imperialism and monopoly capitalism. It cannot be said absolutely that, at that time, revolutionary potential had shifted away from the core capitalist countries into the periphery (or the semi-periphery, Lenin having demonstrated that Russia had a small, but significant and class conscious industrial proletariat). The point of Lenin’s *Imperialism* was to identify Russia as the weak link, and to anticipate revolution in the East. Even then, there were still questions about the type of revolution it would be, the role Russian socialists should play in it, and whether revolution in the East would be the spark to ignite a revolution in the West.

For the Reformists, the 1880-1914 period in western and central Europe was essentially non-revolutionary. In the political economy of imperialism, however, the political component assumes considerable importance. Arguably, imperialism was a short-term solution to the problems inherent in the capital accumulation process. But turn-of-the-century imperialism brought in its wake a political crisis because imperialism implied international rivalry and war. Again, just as in Paris in 1871, a revolutionary situation developed in Russia and then, subsequently, in Germany, that had less to do with the “laws of motion” of competitive capitalism and more to do with the consequences of capitalism in its phase of imperialist rivalry and, particularly, out of the concrete conditions that arose from military defeat and the breakdown – not of capitalism – but of the state. In Russia, the state of the Tsar could no longer rule, and the subsequent rule of the bourgeoisie and its supporters deepened the crisis in the whole social formation seriously undermining, most crucially, the repressive agencies of state power. In Germany, however, the wider state apparatuses, the police and the army, were still intact – the Kaiser was gone but the general were still in power – and the revolution was snuffed.

The era of imperialism shifted the more severe contradictions of the capitalist system to the periphery where, in the context of political and economic imperialism, nationalist and potentially socialist revolutions were both possible and achievable. What of the otherwise essentially non-revolutionary situation in the West, however? It is important not least because the same situation faced the West throughout the twentieth century, with a few exceptions that arose in the more semi Peripheral nations (Spain, Greece) and in central Europe as a result of the aftermath of the second great imperialist war. The point, however, is that non-revolutionary times predominated. What is the role of a revolutionary party in non-revolutionary circumstances?

One answer was to fight for reforms that were achievable within the bourgeois state. Where the old aristocracy and not the bourgeoisie was a dominant force, and therefore, where a bourgeois revolution was the most likely political consequence
(except in peripheral capitalist countries where they were too weak to rule), the revolutionary party would support reforms that were achievable within bourgeois democracy, and that would allow the proletariat to organize separately and carry out its own agenda. The organization of the proletariat, the dissemination of propaganda, the development of class consciousness, were all less problematic under the conditions of bourgeois freedoms, such as a free press, freedom of assembly, legal trade unions, and so on. It has commonly been remarked that the programme of the First International, the demands set out in the *Communist Manifesto*, the practical elements of the Erfurt Programme endorsed by Engels, did not go much beyond bourgeois reforms.

But coming back to our original point, in the absence of a political theory, the implication is that revolutionary consciousness arises spontaneously from the effects of a crisis and political agitation conducted by the organized revolutionaries. If Marx saw revolution as essentially unproblematic, and as a consequence of the right objective conditions; if, as Luxemburg claimed, revolution would arise spontaneously from a class conscious proletariat, then political theory need not be developed in any systematic way. The proletariat would take power. The experience of 1871 indicated that there would probably be a short period of proletarian dictatorship given the difficult situation at the moment of revolution and the need to overcome the resistance of the expropriated classes. Otherwise, the political dimension of the newly created socialist society would have to be developed through praxis, reflective of the concrete conditions of the nation within which the revolution occurred.

If the people en masse could, given the appropriate objective circumstances, spontaneously develop full revolutionary consciousness to the point of action, why could they not also develop full *evolutionary* consciousness that would allow them to use the existing state machinery to reform capitalism out of existence? If the political consciousness of the masses is essentially unproblematic, why not Bernstein’s solution?

Revolutionary consciousness is more problematic than this. It is a cornerstone of Lenin’s theory that fully-developed class consciousness does not arise spontaneously. In his view, expounded in *What is to be Done?*, only trade union consciousness develops spontaneously; revolutionary consciousness develops through effective Communist leadership in the context of struggles that have only a political solution. The relationship between political leadership and the working class is a crucial matter of political theory and practice. As Mao summed up the situation, political problems derived from too great a separation between class leadership and the masses. Party leaders may err by being either too far in front of the masses (adventurism) or too far behind them (tailism). Anarchists anticipate that their sacrifice and rebellion can inspire the masses to imitate them; hence they are often isolated and successes are short-lived. While social democrats may be more rooted among the masses (although this is not true in its more “right”-wing, bureaucratic form), they have a tendency to assume that ordinary people, through their genuine humanity and decency, already possess the qualities necessary for social progress.

The revolutionaries’ relationship to the “masses” is somewhat more problematic. In times of revolutionary war, the guerrilla is likely to be the “fish in the sea” of the aroused and conscious people. Theoretically, however, the Marxist revolutionary in
non-revolutionary times is expected to be rooted in a fraction of the class-conscious proletariat dubbed the "vanguard". This was the case in the 1930s and 40s, when communists were active in labour unions and peoples’ struggles. However, these were many of the same people who had, in the recent past, labelled reformists “social fascists”; and, in the cold war, in only a few instances were communists successful in maintaining close links with union members, as social democrats and labour bureaucrats led the cleansing of the “house of labour” of the “reds”. Coercion had a legal cover, but the repression was deep and fundamental, minus only the overt violence of previous “white terrors” in 1871 and 1919.

In hindsight, for example, in the early 1930s the Third International defined as “social fascist” any group that, while calling itself socialist, limited its goals to reforms within the capitalist system. This harmful and divisive definition derived from both an overestimation of the objective factors – the assumed final breakdown of capitalism – and an overestimation of subjective factors – given the circumstances, workers’ experiences would lead them to recognize the leadership role of the CP except that social democratic mis-leadership prevented the workers from developing revolutionary consciousness. Hence, the argument went, social democrats were the capitalists’ best friends. Ironically, at the time, the Communists may have been the fascists’ best friends. It must be admitted that there were significant historical precedents. In 1914, Social Democratic parties overwhelmingly abandoned the principle of international solidarity and endorsed war credits. This denouement was the prelude to the defeat of the German revolutionary movement in 1919, at least partly caused by the role of the German S.D.P. in the Provisional Government. In What is to be Done? and in his later writing on the “renegade” Kautsky, Lenin drew the sharpest demarcation between revolutionaries and reformists. Political theory, however, is not just a matter of making clear demarcations. That is not to say that there aren’t times and circumstances where “which side are you on” has a very polarized meaning.

So, presently, two questions of political theory have emerged. Above the question was asked, what does a revolutionary party do in non-revolutionary times? But now, given the complete abandonment of socialism by the previous reformists, what is a social democrat to do? The crisis of social democracy is animating people “on the left” now. Of course, how they are to square the circle is not our main issue. But how a revolutionary party would deal with both parliamentary reform parties and with individuals and groupings to the “left” of the official parties, remains an important issue.

Reforms remain a central question. Marx accepted the struggle for bourgeois reforms not as ends in themselves but as means to further developing the class struggle, keeping the proletariat interest separate and understanding that, at some point, the interests of the proletariat and the bourgeoisie would completely diverge. But with reform, the issue of power is central because, by definition in a situation where any party – even a revolutionary one – is struggling to achieve reforms means that the state is still dominated by the bourgeoisie. Legal tactics means playing their game, but it may also achieve some success. Ultimately, though, power talks. So the correct tactic must be to involve the widest body of people as possible, to propel them into the most action possible under the circumstances – illegal action if they are properly
prepared – to both learn and lead simultaneously, and to connect the present struggle with larger issues. There is no end of examples to indicate that organized, collective action usually forces power’s hand more readily than supplications.

In this context, the neo-liberal globalization of the turn-of-the-century may be a permanent feature of political economy, but it is not an entirely new stage for which the revolutionary dramas of the past are obsolete. Oppression is never unopposed. Conglomerate laissez faire, represented by the global institutions such as the WTO and the IMF, along with the emergence of large, regional trading blocs, are already generating their own opposition. Just as capital has burst through national boundaries, so too have the movements of opposition, although such movements take on a myriad of forms, including romantic peasant rebellion in Mexico, religious fundamentalism in the Near East, as well as anti-free trade activism in the core capitalist countries. It is our main contention that it is essential to reiterate the fundamentals of revolutionary Marxist political theory even – perhaps especially – in the contemporary context when revolution is unlikely in the West. The revolutionary impetus in the era of global imperialism may continue to surface in the “South” but the effects of this new imperialism are felt in the core capitalist countries. The revolutionary future, then, can be perceived only with the assistance of the telescope of political theory. The crucial point is that, while practical activities are constrained within the limitations of reform, it is essential to retain a focus on the socialist “end” to avoid the errors of the past. Now, as always, developing theory and organization are crucial tasks for social activists committed to the long-term goals of social revolution.

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