Studies in Marxism and social theory

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Capitalism and social democracy

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Introduction

Not to repeat past mistakes: the sudden resurgence of a sympathetic interest in social democracy is a response to the urgent need to draw lessons from the history of the socialist movement. After several decades of analyses worthy of an ostrich, some rudimentary facts are being finally admitted. Social democracy has been the prevalent manner of organization of workers under democratic capitalism. Reformist parties have enjoyed the support of workers. Perhaps even more: for better or worse social democracy is the only political force of the Left that can demonstrate a record of reforms in favor of workers.

Is there anything to be learned from the social democratic experience? The answer is by no means apparent, as years of a *tout court* rejection testify. One may reject, as the revolutionary Left of various shades has done during one hundred years, the electoral alternative. But if insurrection by a minority is rejected – either because it is unfeasible or because it does not lead to socialism – then social democracy is the only historical laboratory where lessons can be sought. The cost of repeating past mistakes cannot be ignored: we continue to live under capitalism.

But what is a "mistake"? The very possibility of committing mistakes presupposes simultaneously a political project, some choice among strategies, and objective conditions that are independent with regard to the particular movement. If the strategy of a party is uniquely determined, then the notion of "mistakes" is meaningless: the party can only pursue the inevitable. "We consider the breakdown of the present social system to be unavoidable," Karl Kautsky wrote in his commentary on the Erfurt Programme of the *Sozialdemokratische Partei Deutschlands* in 1891, "because we know that the economic evolution inevitably brings on the conditions that will compel the exploited classes to rise against this system of private ownership." (1971: 90) Socialism was seen as an inevitable consequence of economic development, and the party, while necessary, was itself a determined link in the chain of causality. Plekhanov provided the most explicit formulation of this view: "Social Democracy views historical development from the standpoint of necessity, and its own activities as a necessary link in the chain of those necessary conditions which combined make the victory of socialism inevitable." (1965: vol. XI, 77) In this model of history, economic factors were thought to determine simultaneously the conditions for the revolution and the actions of people under these conditions. The activity of the party was thus predetermined. There was no room for errors. In a world of necessity the question of errors cannot even be posed.

It is perhaps less apparent that the notion of mistakes is also rendered meaningless within the context of a radically voluntaristic understanding of historical possibilities. Critics of social democracy often adopted a voluntaristic posture. For them, the deterministic model of history was destroyed by the Soviet Revolution. Since a revolution had occurred where economic conditions were not "ripe," suddenly it became possible under all circumstances. Hence Lukacs, writing in 1924, asserted that "The theory of historical materialism therefore presupposes the universal actuality of the proletarian revolution." (1971: 11–12) Trotsky, who thought that objective conditions "have not only 'ripened'; they have begun to get somewhat rotten," claimed in 1938 that "All now depends upon the proletariat, i.e., *chiefly* on its revolutionary vanguard. The historical crisis of mankind is *reduced* to the crisis of the revolutionary leadership." (Claudin, 1975: 79) Horkheimer despaired in 1940 that the "present talk of inadequate conditions is a cover for the tolerance of oppression. For the revolutionary, conditions have always been ripe." (1973: 11) But if everything is always possible, then only motives explain the course of history. For an error is a relation between projects and conditions; mistakes are possible if and only if some strategies are ineffective in advancing the realization of a given project under existing conditions while other strategies would have advanced it under the same conditions. If everything is possible, then the choice of strategy is only a matter of will; it is the same as the choice of the project itself. Hence biographical factors become the key to the understanding of social democracy. MacDonald's addiction to the King's tea becomes the cause of his betrayal; understanding of the movement is reduced to discoveries of deceptions, scandals, and betrayals. "Betrayal" is indeed the proper way of understanding social democratic strategies in a world free of objective constraints. But accusations of betrayal are not particularly illuminating in the real world.

Accidents may be the motor of history, but somehow it seems implausible that so many political leaders of workers would by mere chance happen to be "traitors." And even if they were, Claudin is right in observing that "This explanation calls out for another to be given: why did the workers follow these 'traitor' leaders?" (1975: 56) We must admit the fact that, as Arato put it,

> a version of the theory that hardly exhausts, and in part falsifies, the theoretical project of Karl Marx managed to express the immediate interests of the industrial working class –

> the social stratum to which all political Marxisms have been inevitably drawn – and . . . the philosophy of praxis that projected a link between the objective possibilities of the present and a liberated future almost always has been politically irrelevant. (1973: 2)

Neither "ideological domination" nor repression is sufficient to account for the manner in which workers organize and act under capitalism. The working class has been neither a perpetual dupe nor a passive victim: workers did organize in unions and in most countries as political parties; these organizations have had political projects of their own; they chose strategies and pursued them to victories as well as defeats. Even if itself molded by capitalist relations, the working class has been an active force in transforming capitalism. We will never understand the resilience of capitalism unless we seek the explanation in the interests and in the actions of workers themselves.

If we are to draw lessons from historical experience, we can assume neither that the practice of political movements is uniquely determined by any objective conditions nor that such movements are free to act at will, independently of the conditions they seek to transform. These conditions constitute at each moment the structure of choice: the structure within which actors deliberate upon goals, perceive alternatives, evaluate them, choose courses of action, and pursue them to create new conditions.

Any movement that seeks to transform historical conditions operates under these very conditions. The movement for socialism developed within capitalist societies and faced definite choices that arise from this particular organization of society. These choices have been threefold: (1) whether to seek the advancement of socialism within the existing institutions of the capitalist society or outside of them; (2) whether to seek the agent of socialist transformation exclusively in the working class or to rely on multi- or even non-class support; and (3) whether to seek reforms, partial improvements, or to dedicate all efforts and energies to the complete abolition of capitalism.

These choices constitute the subject of the book. While the issue of participation is discussed only briefly, as a prologue to the story, the questions of the relation between the socialist movement and the working class and of the strategy of socialist transformation are formulated systematically, analyzed empirically, and applied to the analysis of concrete historical events. Although a collection of articles written over the span of six years, the book is narrowly directed to the analysis of two principal theses: (1) in the process of electoral competition socialist parties are forced to undermine the organization of workers as a class, and (2) compromises over economic issues between workers and capitalists are possible under capitalism and at times preferred by workers over more radical strategies. These two hypotheses explain why in many democratic capitalist countries workers were and continue to be organized by multi-class-oriented, economically reformist electoral parties – "social democratic" parties, whether or not they wear the label. These hypotheses imply at the same time that reforms are not irreversible and cumulative and thus provide the basis for a critique of social democracy.

The book consists of four parts. The first chapter, "Social Democracy as a Historical Phenomenon," provides the overall theoretical and historical framework for the entire analysis. The next two chapters analyze the role of political parties in the process of organization of workers into a class. Chapter Two, "Proletariat into a Class," provides a review of the marxist historiography of the processes of class formation. The central argument is that the organization of politics in terms of class should be seen as a contingent historical outcome of continual conflicts, in the course of which classes become organized, disorganized, and reorganized. This theoretical approach is applied in the subsequent chapter to analyze the strategies of electoral socialist parties and their effect on the voting behavior of individual workers in seven European countries since the turn of the century. The analysis demonstrates that socialist parties faced a choice between pursuing votes and organizing workers as a class and that an overwhelming mandate for socialist transformations is not a likely outcome of elections regardless of strategies parties adopt.

The next three chapters are devoted to the choice of economic strategies facing workers under democratic capitalism. Chapter Four, "Material Bases of Consent," presents those elements of the economic structure and the political institutions of democratic capitalism which mold the terms of choice available to workers. This chapter sets the general theoretical framework within which strategic questions can be analyzed. The argument in Chapter Five demonstrates that a compromise which entails the perpetuation of capitalist forms of property is under some circumstances preferable for workers who seek to maximize their material welfare. Even if socialism were superior in satisfying material needs, the threat of disinvestment may prevent workers from supporting a strategy of transition. Chapter Six emphasizes that the combination of private ownership of the means of production with political democracy is a compromise and highlights the threat to democracy embodied in the current right-wing offensive.

The theoretical principles which underlie the entire book are reviewed in the last chapter. In a polemic with a theory of exploitation and class offered by John Roemer, this chapter provides a statement of theoretical issues that remain unresolved. Finally, the Postscript returns to the prospects for socialism and the question of the transformative capacity of social democracy.

This book is a result of a gnawing obsession that forsaken possibilities are hiding somewhere behind the veil of our everyday experiences. A search for possibilities must reconstruct the logic of choices faced by the movement for socialism within the capitalist society; it must recreate the historical possibilities that were opened and closed as each choice was made and find which of the past decisions constrain our present alternatives.

These tasks call for a particular methodology. Social relations are treated here as structures of choices available to the historical actors, individual and collective, at each moment of history, and in turn as the outcomes of strategies adopted earlier by some political forces. Behavior is thus analyzed as strategic action, oriented toward goals, based on deliberations, responding to perceived alternatives, resulting from decisions. Some of the alternatives appear rather clear, at least in retrospect – so clear that they can be analyzed with the aid of mathematical models. This is the case of both electoral and economic strategies. Some other choices are well understood but difficult to calculate, for the actors involved as well as for observers, because the consequences of alternative courses of action are highly unpredictable. But there must also exist alternatives of which we are not aware. Particularly today, when it seems that the Left has lost not only its promise as a force of liberation but even its originality as an alternative for the next election, it remains difficult to believe that nothing else is possible. It is to uncover these forsaken possibilities that we need look back at the historical experience.

1. Social Democracy as a Historical Phenomenon

The Decision to Participate

The crucial choice was whether to participate. Earlier events resulted in establishing the principle of democracy in the political realm. Yet political rights were merely formal when accompanied by the compulsion and inequality that reigned in the social realm. As it emerged around 1850, socialism was thus a movement that would complete the revolution started by the bourgeoisie by wresting from it "social power" just as the bourgeoisie had conquered political power. The recurrent theme of the socialist movement ever since has been this notion of "extending" the democratic principle from the political to the social, in effect primarily economic, realm.

Yet precisely because the principle of democracy was already present in the political institutions, the means by which socialism would be achieved appeared as a choice. The project of the early, communitarian, socialists was to build a society within the society, a community of immediate producers associated in workshops and manufactures, cooperating as consumers and administering their own affairs. This society of associated producers was to be built in complete independence of the bourgeois world; it was simply to by-pass the emerging capitalist, and to a great extent industrial, order. Yet as soon as the new bourgeois society developed its political institutions – first the bureaucracy and the standing army and then the popularly elected parliament – the posture of aloof independence could not be sustained. One could no longer maintain, as had Proudhon, that social reform cannot result from political change. Even if political action were indeed ineffective in bringing about social reform, once established, the new political institutions had to be treated either as an enemy or a potential instrument. The choice had become one between "direct" and "political" action: a direct confrontation between the world of workers and the world of capital or a struggle through political institutions. Building a society within the society was not enough: conquest of political power was necessary. As Marx argued in his Inaugural Address to the First International in 1864, "To be able to emancipate the working class, the cooperative system must be developed at the national level, which implies that it must dispose of national means. . . . Under these conditions, the great duty of the working class is to conquer political power." (1974: 80) Hence Marx claimed that workers must organize as a political party and this party must conquer power on the road to establishing the socialist society. But the tormenting question was whether this party should avail itself of the already existing institutions in its quest for political power. Political democracy, specifically suffrage, was a ready-made weapon for the working class. Was this weapon to be discarded or was it to be wielded on the road from "political to social emancipation"?

The anarchist response was resoundingly negative. What anarchists feared and what they claimed was not only that political action is unnecessary and ineffective but that any involvement in bourgeois institutions, whatever its purpose and whatever its form, would destroy the very movement for socialism. The Anarchist Congress at Chaud-de-Fonds warned in 1870 that "all workers' participation in bourgeois governmental politics cannot have other results than the consolidation of the existing state of affairs and thus would paralyze socialist revolutionary action of the proletariat." (Droz, 1966: 33) The very consideration of an improvement of workers' situation within capitalist society – a discussion of international codes for the protection of labor at the founding meeting of the Second International in 1889 – brought anarchists to exclaim immediately that whoever accepts reforms is not a true socialist (Joll, 1966: 45). Alex Danielsson, one of the founders of the Swedish Social Democracy, maintained in 1888 that electoral participation would change socialism "from a new theory of society and the world to a paltry program for a purely parliamentary party, and at that instant the enthusiasm in the workers' core will be extinguished and the ideal of social revolution degenerate into a pursuit of 'reforms' that will consume all the workers' interests." (Tingsten, 1973: 352) As Errico Malatesta observed in retrospect, "Anarchists have always kept themselves pure, and remain the revolutionary party par excellence, the party of the future, because they have been able to resist the siren song of elections." (Guerin, 1970: 19)

Those who became socialists were the ones who decided to utilize political rights of workers in those societies where workers had them and to struggle for these rights where they were still to be won. The abstentionist current lost its support within the First International after 1873 and the newly formed socialist parties, most founded between 1884 and 1892, embraced the principles of political action and of workers' autonomy (Haupt, 1980).

Yet the attitude of socialist parties toward electoral participation was ambivalent at best. This ambivalence was not theoretical: little is to be gained by interpreting and reinterpreting every word Marx wrote about bourgeois democracy for the simple reason that Marx himself and the men and women who led the newly formed parties into electoral battles were not quite certain what to expect of electoral competition. The main question – one which history never resolved because it cannot be resolved once and for all – was whether the bourgeoisie would respect its own legal order in case of an electoral triumph of socialism. If socialists were to use the institution of suffrage – established by the bourgeoisie in its struggle against absolutism – to win elections and to legislate a society toward socialism, would the bourgeoisie not revert to illegal means to defend its interests? This is what had happened in France in 1851, and it seemed likely that it would happen again.

Thus the essential question facing socialist parties was whether, as Hjalmar Branting posed it in 1886, "the upper class [would] respect popular will *even if it demanded the abolition of its privileges*." (Tingsten, 1973: 361) Sterky, the leader of the left wing of the Swedish Social Democrats, was among those who took a clearly negative view: "Suppose that . . . the working class could send a majority to the legislature; not even by doing this would it obtain power. One can be sure that the capitalist class would then take care not to continue along a parliamentary course but instead resort to bayonets." (Ibid.) No one could be completely certain: Austrian Socialists, for example, promised in their Linz program of 1926 to "govern in strict accordance with the rules of the democratic state," but they felt compelled to warn that "should the bourgeoisie by boycotting revolutionary forces attempt to obstruct the social change which the labour movement in assuming power is pledged to carry out, then social democracy will be forced to employ dictatorial means to break such resistance." (Lesser, 1976: 145) The main doubt about electoral participation was whether revolution would not be necessary anyway, as August Bebel put it in 1905, "as a purely defensive measure, designed to safeguard the exercise of power legitimately acquired through the ballot." (Schorske, 1955: 43)

Under these conditions the attitude toward electoral participation was understandably cautious. Socialists entered electoral politics gingerly, "only to utilize them for propaganda purposes," and vowed "not to enter any alliances with other parties or to accept any compromises" (Resolution of the Eisenach Congress of the S.P.D. in 1870). At best, many thought, universal suffrage was one instrument among others, albeit one that had "the incomparably higher merit of unchaining the class struggle . . .," as Marx put it in 1850 (1952a: 47). Elections were to be used only as a ready-made forum for organization, agitation, and propaganda. The typical posture is well illustrated by this motion offered in 1889: "Since Sweden's Social Democratic Workers' Party is a propaganda party, i.e., [it considers] its main objective to be the dissemination of information about Social Democracy, and since participation in elections is a good vehicle for agitation, the Congress recommends participation." (Tingsten, 1973: 357)

Elections were also useful in providing the leadership with a reading of the "revolutionary fervor of the masses." But this is all they seemed to promise at the moment when socialists decided to participate. The last edition of *The Origins of Private Property, Family, and the State* which appeared during Engels' lifetime still contained in 1891 the assertion that universal suffrage is merely "the gauge of the maturity of the working class. It cannot and never will be anything more in the present-day state." (1942: 158)

Each step toward participation rekindled controversies. The German Social Democratic Party argued whether to allow one of its members to become the Deputy Speaker of the Reichstag, whether to vote on the budget, even whether to trade votes in the second round of elections (Schorske, 1955). The Norwegian Labor Party refused in 1906 to trade votes in the second round even though no compromise was implied (Lafferty, 1971: 127). In 1898, a survey of the opinions of prominent leaders of the Second International showed that while interventions into bourgeois politics were thought to be at times advisable, six of the respondents voted *"jamais"* with regard to participating in a government, eleven admitted it was possible only *très exceptionnellement*, and a minority of twelve thought that such participation is either always desirable or at least it was in the case of Millerand (Fiechtier, 1965: 69–75). Of the sixty-nine Swedish Social Democrats polled by telegram whether the party should join the Liberal government in 1911, sixty-three responded against participating (Tingsten, 1973: 418). While some parties "suspended" class struggle and entered into coalition governments before the end of World War I, even in Great Britain the decision to form the first Labour government in 1924 was a subject of intense polemics and had to be rationalized as an opportunity to acquire experience necessary for the socialist era (Lyman, 1957).

Opponents of participation seem to hold a permanent place in the political spectrum. As established parties take each step toward full participation, new voices emerge to continue the tradition according to which the belief in the parliamentary battles "between frogs and mice" (Luxemburg, 1967: 37) is a manifestation of what Marx called under very special circumstances "parliamentary cretinism." (1952a: 77) "Integration is the price," Horkheimer repeated in the 1940 Anarchist *memento*, "which individuals and groups must pay in order to flourish under capitalism." (1973: 5) "Elections, a trap for fools," was a title of an article by Sartre on the eve of the 1973 French parliamentary elections. *"Voter, c'est abdiquer"*, shouted the walls of Paris in 1968.

Democratic Capitalism and Political Participation

Electoral abstention has never been a feasible option for political parties of workers. Nor could participation remain merely symbolic. As long as democratic competition offers to various groups an opportunity to advance some of their interests in the short run, any political party that seeks to mobilize workers must avail itself of this opportunity.

Capitalism is a particular form of social organization of production and exchange. Based on an advanced division of labor, capitalism is a system in which production is oriented toward the needs of others, toward exchange. It is therefore a system in which even the people who directly participate in transforming nature into useful products – the immediate producers – cannot physically survive on their own. Furthermore, capitalism is a system in which those who do not own the instruments of production must sell their capacity to work. Workers obtain a wage, which is not a title to any part of the specific product which they generate but an abstract medium for acquisition of any goods and services. They must produce profit as a condition of their continued employment.

The product is appropriated privately in the sense that workers have no institutional claim to its allocation or distribution in their role as immediate producers. Capitalists, who are profit-takers, decide under multiple constraints how to allocate the product, in particular what part of it to invest, where, how, and when. These allocations are constrained by the fact that capitalists compete with each other and that they can be influenced by the political system. The ownership of the means of production also endows the proprietors with the right to organize (or to delegate the organization of) production. Capitalists, as employers, regulate the organization of work, although they may be again constrained by rules originating from the political system. As immediate producers, workers have no institutional claim to directing the productive activities in which they participate.

Under these conditions, political democracy constitutes the opportunity for workers to pursue some of their interests. Electoral politics constitutes the mechanism through which anyone can as a citizen express claims to goods and services. While as immediate producers workers have no institutional claim to the product, as citizens they can process such claims through the political system. Moreover, again as citizens as distinguished from immediate producers, they can intervene in the very organization of production and allocation of profit.

Capitalists are able to seek the realization of their interests in the course of everyday activity within the system of production. Capitalists continually "vote" for allocation of societal resources as they decide to invest or not, to employ or dismiss labor, to purchase state obligations, to export or to import. By contrast, workers can process their claims only collectively and only indirectly, through organizations which are embedded in systems of representation, principally trade-unions and political parties. Participation is hence necessary for the realization of interests of workers. Revolutionary ideals may move history, but they neither nourish nor shelter. As Schumpeter observed:

> a wholly negative attitude, though quite satisfactory in principle, would have been impossible for any party of more than negligible importance to keep. It would have inevitably collided with most of the real desiderata of organized labor and, if persisted in for any length of time, would have reduced the followers to a small group of political ascetics . . . No party can live without a program that holds out the promise of immediate benefits. (1942: 316–17)

If they are to utilize the opportunity offered by democracy, workers must organize as participants. And even if this opportunity is limited, it is the only one that is institutionalized, the only one that is available to workers as a collectivity. Participation in democratic politics is necessary if workers are to be able to conduct other forms of struggle, including direct confrontation with capitalists. Socialists faced a hostile state, in which the permanently organized forces of repression were in the hands of landowners or the bourgeoisie. In the situation in which armed insurrections were made unfeasible by technological changes in the art of warfare – the point emphasized by Engels in 1895 – parliamentary participation was the only recourse available to workers. It is important that the turning point in the tactics of several socialist parties occurred after the failures of general strikes which were organized around economic issues. While strikes oriented toward extensions of suffrage were successful in Belgium and Sweden, the use of mass strikes for economic goals invariably resulted in political disasters: in Belgium in 1902 (Landauer, 1959, I; 472–73), Sweden in 1909 (Schiller, 1975: 208–17), France in 1920 (Maier, 1975: 158), Norway in 1921 (Lafferty, 1971: 191), and Great Britain in 1926 (Miliband, 1975: 148). All these strikes were defeated; in the aftermath trade-unions were decimated and repressive legislation was passed. These common experiences of defeat and repression had a decisive effect in directing socialist parties toward electoral tactics. Parliamentary representation was necessary to protect the movement from repression: this was the lesson drawn by socialist leaders. As Kautsky wrote already in 1891, "The economic struggle demands political rights and these will not fall from heaven." (1971: 186)

Moreover, participation was necessary because as an effect of universal suffrage masses of individuals can have political effects without being organized. Unless workers are organized as a class, they are likely to vote on the basis of other sources of collective identification, as Catholics, Bavarians, women, Francophones, consumers, and so forth. Once elections were organized and workers obtained the right to vote, they had to be organized to vote as workers.

The fact is that the only durable organizations are those that chose to participate in bourgeois institutions. For unless a participation is totally ineffective in advancing interests of workers in the short run, all organizations of workers must either join or vanish.

Electoral Participation and Class Organization

The reason why involvement in representative politics of the bourgeois society has never ceased to evoke controversy is that the very act of "taking part" in this particular system shapes the movement for socialism and its relation to workers as a class. The recurrent question is whether involvement in electoral politics can result in socialism or must strengthen the existing, that is capitalist, social order. Is it possible for the socialist movement to find a passage between the "two reefs" charted by Rosa Luxemburg: "abandonment of the mass character or abandonment of the final goals"? (Howard, 1973: 93) Participation in electoral politics is necessary if the movement for socialism is to find mass support among workers, yet this very participation appears to obstruct the attainment of final goals. Working for today and working toward tomorrow appear as horns of a dilemma.

Participation imprints a particular structure upon the organization of workers as a class. The effect of participation upon internal class relations has been best analyzed by Luxemburg:

> the division between political struggle and economic struggle and their separation is but an artificial product, even if historically understandable, of the parliamentary period. On the one hand, in the peaceful development, "normal" for the bourgeois society, the economic struggle is fractionalized, disaggregated into a multitude of partial struggles limited to each firm, to each branch of production. On the other hand, the political struggle is conducted not by the masses through direct action, but in conformity with the structure of the bourgeois state, in the representative fashion, by the pressure exercised upon the legislative body. (1970a: 202)

The first effect of "the structure of the bourgeois state" is thus that wage-earners are formed as a class in a number of independent and often competitive organizations, most frequently as trade-unions and political parties, but also as cooperatives, neighborhood associations, clubs, etc. One characteristic feature of capitalist democracy is the individualization of class relations at the level of politics and ideology (Lukacs, 1971: 65–6; Poulantzas, 1973). People who are capitalists or wage-earners within the system of production all appear in politics as undifferentiated "individuals" or "citizens." Hence, even if a political party succeeds in forming a class on the terrain of political institutions, economic and political organizations never coincide. Multiple unions and parties often represent different interests and compete with each other. Moreover, while the class base of unions is confined to certain groups of people more or less permanently employed, political parties which organize wage-earners must also mobilize people who are not members of unions. Hence there is a permanent tension between the narrower interests of unions and the broader interests represented by parties. Class organized as a participant does not appear as a single actor in concrete historical conflicts (Miliband, 1977: 129).

The second effect is that relations within the class become structured as relations of representation. The parliament is a representative institution: it seats individuals, not masses. A relation of representation is thus imposed upon the class by the very nature of capitalist democratic institutions. Masses do not act directly in defense of their interests; they delegate this defense. This is true of unions as much as of parties: the process of collective bargaining is as distant from the daily experience of the masses as elections. Leaders become representatives. Masses represented by leaders: this is the mode of organization of the working class within capitalist institutions. In this manner participation demobilizes the masses.

The organizational dilemma extends even further. The struggle for socialism inevitably results in the *embourgeoisement* of the socialist movement: this is the gist of Roberto Michels' classical analysis. The struggle requires organization; it demands a permanent apparatus, a salaried bureaucracy; it calls for the movement to engage in economic activities of its own. Hence socialist militants inevitably become bureaucrats, newspaper editors, managers of insurance companies, directors of funeral parlours, and even *Parteibudiger* – party bar keepers. All of these are petty bourgeois occupations. "They impress," Michels concluded, ". . . a markedly petty bourgeois stamp." (1962: 270) As a French dissident wrote recently, "The working class is lost in administering its imaginary bastions. Comrades disguised as notables occupy themselves with municipal garbage dumps and school cafeterias. Or are these notables disguised as comrades? I no longer know." (Konopnicki, 1979: 53)

A party that participates in elections must forsake some alternative tactics: this is the frequently diagnosed tactical dilemma. As long as workers did not have full political rights, no choice between insurrectionary and parliamentary tactics was necessary. Indeed, political rights could be conquered by those who did not have them only through extra-parliamentary activities. César de Paepe, the founder of the *Parti Socialiste Brabançon*, wrote in 1877 that "in using our constitutional right and legal means at our disposal we do not renounce the right to revolution." (Landauer, 1959, 1: 457) This statement was echoed frequently, notably by Engels in 1895. Alex Danielsson, a Swedish left-wing socialist, maintained in a more pragmatic vein that Social Democrats should not commit themselves to "a dogma regarding tactics that would bind the party to act according to the same routine under all circumstances." (Tingsten, 1973: 362) That a mass strike should be used to achieve universal (and that meant male) suffrage was not questioned, and both the Belgian and Swedish parties led successful mass strikes that resulted in extensions of suffrage.

Yet as soon as universal suffrage was obtained, the choice between the "legal" and the "extra-parliamentary" tactics had to be made. J. McGurk, the chairman of the Labour Party, put it sharply in 1919:

> We are either constitutionalists or we are not constitutionalists. If we are constitutionalists, if we believe in the efficacy of the political weapon (and we do, or why do we have a Labour Party?) then it is both unwise and undemocratic because we fail to get a majority at the polls to turn around and demand that we should substitute industrial action. (Miliband, 1975: 69)

To win votes of people other than workers, particularly the petite bourgeoisie, to form alliances and coalitions, to administer the government in the interest of workers, a party cannot appear to be "irresponsible," to give any indication of being less than whole-hearted about its commitment to the rules and the limits of the parliamentary game. At times the party must even restrain its own followers from actions that would jeopardize electoral progress. Moreover, a party oriented toward partial improvements, a party in which leaders-representatives lead a petit-bourgeois life-style, a party that for years has shied away from the streets cannot "pour through the hole in the trenches," as Gramsci put it, even when this opening is forged by a crisis. "The trouble about the revolutionary left in stable industrial societies," observed Eric Hobsbawm (1973: 14–15), "is not that its opportunities never came, but that the normal conditions in which it must operate prevent it from developing the movements likely to seize the rare moments when they are called upon to behave as revolutionaries . . . Being a revolutionary in countries such as ours just happens to be difficult."

This dilemma became even more acute when democracy – representative democracy characteristic of bourgeois society – ceased to be merely a tactic and was embraced as the basic tenet of the future socialist society. Social democratic parties recognized in political democracy a value that transcends different forms of organization of production. Jean Jaures (1971: 71) claimed that "The triumph of socialism will not be a break with the French Revolution but the fulfillment of the French Revolution in new economic conditions." Eduard Bernstein (1961) saw in socialism simply "democracy brought to its logical conclusion." Representative democracy became for social democrats simultaneously the means and the goal, the vehicle for socialism and the political form of the future socialist society, simultaneously the strategy and the program, instrumental and prefigurative. (For the views of Kautsky and Luxemburg, who were somewhat more cautious, see respectively Salvadori, 1971, and Geras, 1976.)

Hence social democrats faced a dilemma, dramatized by Gay in his biography of Bernstein.

> Is democratic socialism, then, impossible? Or can it be achieved only if the party is willing to abandon the democratic method temporarily to attain power by violence in the hope that it may return to parliamentarism as soon as control is secure? Surely this second alternative contains tragic possibilities: a democratic movement that resorts to authoritarian methods to gain its objective may not remain a democratic movement for long. Still, the first alternative – to cling to democratic procedures under all circumstances – may doom the party to continual political impotence. (1970: 7)

The Promise of Elections

In spite of all the ambivalence, in spite of the pressure of short-term preoccupations, socialists entered into bourgeois politics to win elections, to obtain an overwhelming mandate for revolutionary transformations, and to legislate the society into socialism. This was their aim and this was their expectation.

Electoral participation was based on the belief that democracy is not only necessary but that it is sufficient for reaching socialism. "If one thing is certain," Engels wrote in 1891 in a letter that was to meet with Lenin's acute displeasure, "it is that our Party and the working class can only come to power under the form of a democratic republic. This is even the specific form of the dictatorship of the proletariat." (1935: 486) Jaures saw in democracy "the largest and most solid terrain on which the working class can stand . . . the bed rock that the reactionary bourgeoisie cannot dissolve without opening fissures in the earth and throwing itself into them" (Derfler, 1973: 59) Millerand was, as always, most incisive: "To realize the immediate reforms capable of relieving the lot of the working class, and thus fitting it to win its own freedom, and to begin, as conditioned by the nature of things, the socialization of the means of production, it is necessary and sufficient for the socialist party to endeavor to capture the government through universal suffrage." (Ensor, 1908: 54)

Socialists entered into elections because they had to be concerned about immediate improvements of workers' conditions. Yet they entered in order to bring about socialism. Is this divergence between cause and purpose a symptom of rationalization? Was the pathos of final goals just a form of self-deception?

Such questions are best left for psychologists to resolve. But one thing is certain. Those who led socialist parties into electoral battles believed that dominant classes can be "beaten at their own game." Socialists were deeply persuaded that they would win elections, that they would obtain for socialism the support of an overwhelming numerical majority. They put all of their hopes and their efforts into electoral competition because they were certain that electoral victory was within reach. Their strength was in numbers, and elections are an expression of numerical strength. Hence, universal suffrage seemed to guarantee socialist victory, if not immediately then certainly within the near future. Revolution would be made at the ballot box. Among the many expressions of this conviction is the striking apologia delivered by Engels in 1895:

> The German workers . . . showed the comrades in all countries how to make use of universal suffrage. . . . With the successful utilization of universal suffrage . . . an entirely new method of proletarian struggle came into operation, and this method quickly developed even further. It was found that state institutions, in which the rule of the bourgeoisie is organized, offer the working class still further opportunities to fight these very state institutions.

And Engels offered a forecast: "If it [electoral progress] continues in this fashion, by the end of the century we shall . . . grow into the decisive power in the land, before which all other powers will have to bow, whether they like it or not." (1960: 22)

The grounds for this conviction were both theoretical and practical. Already in *The Communist Manifesto,* Marx and Engels described socialism as the movement of "the immense majority." (1967: 147) In an 1850 article on "The Chartists" in the New York *Daily Tribune* and then again in 1867 in the Polish émigré newspaper *Glos Wolny,* Marx repeated that "universal suffrage is the equivalent of political power for the working class of England, where the proletariat forms the large majority of the population . . ." Kautsky's *The Class Struggle,* probably the most influential theoretical statement of the early socialist movement, maintained that the proletariat already constituted the largest class "in all civilized countries." (1971: 43) And even if the first electoral battles would not end in triumph, even if the proletariat was not yet the majority, electoral victory seemed only a matter of time because capitalism was swelling the ranks of the proletarians. The development of factory production and its corollary concentration of capital and land were to lead rapidly to proletarianization of craftsmen, artisans, merchants, and small agricultural proprietors. Even "the physician, the lawyer, the priest, the poet, the man of science" were being converted into proletarians, according to *The Communist Manifesto.* This growth of the number of people who sell their labor power for a wage was not accidental, temporary, or reversible: it was viewed as a necessary feature of capitalist development. Hence, it was just a question of time before almost everyone, "all but a handful of exploiters," would become proletarians. Socialism would be in the interest of almost everyone, and the overwhelming majority of the people would electorally express their will for socialism. A young Swedish theoretician formulated this syllogism as follows in 1919:

> The struggle for the state is political. Its outcome is therefore to a very great extent contingent upon the possibility open to society's members – whose proletarianism has been brought about by the capitalist process – to exercise their proper influence on political decision-making. If democracy is achieved, the growth of capitalism means a corresponding mobilization of voices *against* the capitalist system itself. Democracy therefore contains an automatically operative device that heightens the opposition to capitalism in proportion to the development of capitalism. (Tingsten, 1973: 402)

Indeed, while those who eventually became communists saw in the Russian Revolution the proof that successful insurrection is always possible, for social democrats the necessity to rely on an insurrection of a minority meant only that conditions for socialism were not yet mature (Kautsky, 1919). While Branting, for example, shared Gramsci's first reaction to the October Revolution (see Fiori, 1973: 112) when he maintained that "the whole developmental idea of socialism is discarded in Bolshevism," he drew precisely the conclusion that socialists should wait until conditions ripen to the point that an overwhelming majority of the people would electorally express their will for socialist transformations (Tingsten, 1973: 405). Since they were thoroughly persuaded that such conditions would be brought about by the development of capitalism, social democrats were not chagrined by electoral reversals, which were interpreted only to mean that the point had not yet arrived. Even when they had to relinquish control over the government, social democrats were not tempted to hasten the course of history. History spoke through the people, people spoke in elections, and no one doubted that history would make people express their will for socialism.

These expectations, based on the conviction about the future course of history, were almost immediately vindicated by the electoral progress of socialist parties. The German party – posed by Engels as the model to be followed – despite years of depression grew from 125,000 votes in 1871 to 312,000 in 1881, to 1,427,000 in 1890, to 4,250,000 on the eve of World War I. Indeed, as soon as the Anti-Socialist laws were allowed to lapse, S.P.D. became in 1890 the largest party in Germany with 19.7 percent of the vote. By 1912 their share of 34.8 percent was more than twice that of the next largest party. No wonder that Bebel in 1905 could make "explicit the widely held assumption of his fellow socialists that the working class would continue to grow and that the party would one day embrace a majority of the population . . ." (Schorske, 1955: 43) Several parties entered even more spectacularly into the competition for votes. In 1907, Finnish Social Democrats won the plurality, 37 percent, in the first election under universal suffrage. The Austrian Social Democrats won 21.0 percent after male franchise was made universal in 1907, 25.4 in 1911, and the plurality of 40.8 percent in 1919. The Belgian *Parti Ouvrier* won 13.2 percent when the *régime censitaire* was abolished in 1894 and kept growing in jumps to win in 1925 the plurality of 39.4 percent, a success which "stimulated them to hope that continuing industrialization would produce an increasing socialist working-class electorate." (Mabille and Lorwin, 1977: 392) Even in those countries where the first steps were not equally dramatic, electoral progress seemed inexorable. In the religiously politicized Netherlands, socialism marched in big steps, from 3 percent in 1896 to 9.5, 11.2, 13.9, and 18.5 in 1913. The Danish party obtained 4.9 in 1884, the first election it contested, only 3.5 percent in 1889; from this moment on the party never failed to increase the share of the vote until 1935 when it won 46.1 percent. There again, "there was a general expectation that as the sole party representing the labour movement, it would achieve power through an absolute majority of the electorate." (Thomas, 1977: 240) The Swedish party began meekly, offering candidates on joint lists with Liberals; it won 3.5 percent in 1902, 9.5 in 1905, 14.6 in 1908, jumped to 28.5 percent in 1911 after suffrage was extended, increased its share to 30.1 and 36.4 in the two successive elections of 1914, and together with its left-wing off-shoot won the plurality of the vote, 39.1 percent, in 1917. The Norwegian Labor Party grew about 5 percent in each election from 1897 when it obtained 0.6 percent onward to 1915 when its share reached 32.1 percent.

Practice was confirming the theory. From election to election the forces of socialism were growing in strength. Each round was a new success. A few thousand at best during the first difficult moments, socialists saw their electorate extend to millions. The progress seemed inexorable; the majority and the mandate for socialism embodied therein were just a matter of a few years, a couple of elections. One more effort and humanity would be ushered into a new era by the overwhelming expression of popular will. "I am convinced," Bebel said at the Erfurt Congress, "that the fulfillment of our aims is so close that there are few in this hall who will not live to see the day." (Derfler, 1973: 58)

Social Democracy and the Working Class

The socialist party was to be the working class organized. As Bergounioux and Manin (1979: 27) observed, "workers" autonomy outside politics or a political emancipation that would not be specifically workers', such were the two tendencies at the moment when Marx and Engels contributed to the founding of the International Workingmen's Association." Marx's decisive influence was a synthesis of these two positions: socialism as a movement of the working class in politics. The orientation Marx advocated was new: to organize a "party" but one that would be distinctly of workers, independent from and opposed to all other classes. The organization of workers "into a class, and consequently into a political party" (Marx and Engels, 1967: 144) was necessary for workers to conquer political power and, in Marx's view, it should not and would not affect the autonomy of the working class as a political force. "The emancipation of the working class should be," in the celebrated phrase, "the task of the working class itself."

We know why Marx expected workers to become the moving force for socialism: by virtue of their position within the capitalist society, workers were simultaneously the class that was exploited in the specifically capitalist manner and the only class that had the capacity to organize production on its own once capitalist relations were abolished (Mandel, 1971: 23). Yet this emphasis on the "organic relation" between socialism and the working class – the relation conceived of as one between the historical mission and the historical agent – does not explain by itself why socialists sought during the initial period to organize only workers and all the workers. The reasons for this privileged relation between socialist parties and the working class were more immediate and more practical than those that could be found in Marx's theory of history.

First, capitalism is a system in which workers compete with each other unless they are organized as a class. Similarity of class position does not necessarily result in solidarity since the interests which workers share are precisely those which put them in competition with one another, primarily as they bid down wages in quest of employment. Class interest is something attached to workers as a collectivity rather than as a collection of individuals, their "group" rather than "serial" interest (Sartre, 1960). A general increase of wages is in the interest of all workers, but it does not affect relations among them. In turn, a law establishing a minimal level of wages, extending compulsory education, advancing the age of retirement, or limiting working hours affects the relation among workers without being necessarily in the interest of each of them. Indeed, some workers would prefer to work beyond their normal retirement age even if they were excluding other workers from work; some people who do not find employment would be willing to be hired for less than the minimal wage even if it lowered the general level of wages; some would be willing to replace striking workers even if it resulted in a defeat of a strike. Class interest does not necessarily correspond with the interests of each worker as an individual. Individual workers as well as those of a specific firm or sector have a powerful incentive to pursue their particularistic interest at the cost of other workers unless some organization – a union, a party, or the state directly – has the means to enforce collective discipline. Hence, in order to overcome competition, workers must organize and act as a collective force. As Marx put it, "combination always has a double aim, that of stopping competition among workers, so that they can carry on general competition with the capitalist." (n.d.: 194) Socialist parties were to be the organizations that would limit competition within the class as it confronted class enemies. Mobilization of the entire class was essential precisely to prevent particular groups of workers from eroding class solidarity by competing with organized members of the class.

Secondly, the emphasis on the distinct interests of the working class was necessary to prevent the integration of workers as individuals into bourgeois society. Under capitalism, capitalists naturally appear to be the bearers of future universal interests while the interests of all other groups appear as inimical to future development and hence particularistic. Universalism is the natural ideology of the bourgeoisie since, as long as people living in the same society are thought to have some "general," "common," or "public" economic interests, capitalists as a class represent these interests.

The new society which became institutionalized in Western Europe in the aftermath of the industrial revolution was the embodiment of this universalism. For the first time in history the economically dominant class portrayed itself as the future of the entire society: this was the revolution which the bourgeoisie introduced in the realm of ideology (Gramsci, 1971: 260). Bourgeois legal norms established the universal status of "individuals" who were equal in their relations to things – regardless whether these were means of production or of consumption – and equal in their relation with each other – again regardless whether they appeared contractually as sellers or buyers of labor power (Balibar, 1970). At the same time, bourgeois ideology postulated a basic harmony of interests of individuals–citizens.

Bourgeois political institutions express this vision of society. The parliament was to be the forum of rational deliberation in pursuit of the general good. While economics was viewed as the realm of passion generated by narrow self-interest, politics was to be the autonomous realm of reason. Parties, as well as other divisions based on groupings of interests, were regarded as evil and dangerous. Politics was to stand above economic divisions of society.

If the movement for socialism was not to be absorbed within this ideology and these institutions, it was necessary to transform the very vision of politics. To the abstract rationalism of "pure politics" socialists juxtaposed an image reflecting the conflict of interests of a society divided into classes. In place of the ideal of rational individuals seeking the common good, socialists put forth the "reality" of men who were carriers of their class interests. The very conception of society based on harmony of interests was sharply denied by the ideology of class conflict.

Socialists claimed that the bourgeoisie not only has particularistic interests but also that these are in conflict with interests of workers. Workers are not "individuals" of the bourgeois society; they are a distinct class in a society divided into classes. If their interests appear as particularistic within the capitalist society, it is because this society is built upon the conflict of particularistic interests of different classes. Only by separating themselves from other classes could workers pursue their interests and thereby fulfill their historical mission of emancipating the entire society. In his *Address to the Communist League* in 1850 (Marx and Engels, 1969, I: 117), Marx emphasized that workers "must themselves do the utmost for their final victory by clarifying their minds as to what their class interests are, by taking their position as an independent party as soon as possible and by not allowing themselves to be seduced for a single moment by the hypocritical phrases of the democratic petty bourgeoisie into refraining from the independent organization of the party of the proletariat." Rosenberg (1965: 161) reports the tendency of German socialism in the 1860s to "isolate itself and to emphasize these qualities that differentiated it from all the groups and tendencies of the wealthy classes. At this stage the radical proletarian movement tended particularly to see the nobility and the peasants, the manufacturers and the intellectuals as 'a uniform reactionary mass.'" The same was true of the first labor candidates who competed in the Paris election of 1863 (Ibid.: 165). The notion of "one single reactionary mass" underlay the Gotha Programme of 1875 and reappeared in the Swedish program of 1889 (Tingsten, 1973: 357). Still in 1891, when Engels was asked to comment on a draft of the Erfurt Programme, he objected to a reference to "the people in general" by asking "who is that?" (n.d.: 56) And with his typical eloquence, Jules Guesde argued in Lille in 1890: "The Revolution which is incumbent upon you is possible only to the extent that you will remain yourselves, class against class, not knowing and not wanting to know the divisions that may exist in the capitalist world." (Fiechtier, 1965: 258)

Indeed, the initial difficulty which socialists faced was that workers were distrustful of any influences originating outside their class. Socialism seemed an abstract and an alien ideology in relation to daily experience. It was not apparent to workers that an improvement of their conditions required that the very system of wage labor must be abolished. Bergounioux and Manin report that according to a study of the French workers at the beginning of the Third Republic there was a resistance among workers to the socialist message, an emphasis on the direct conflict between workers and employers, and a neglect of politics (1979: 25). In Belgium, a party bearing a socialist label, *Parti Socialiste Belge*, was founded in 1879 but had difficulty persuading workers' associations to affiliate. According to Landauer (1959, I; 457–8) workers were mistrustful of socialist propaganda and de Paepe argued that "the word 'socialist' frightens many workers." Thus was born in 1885 *Parti Ouvrier Belge*: a workers' party in place of a socialist one. In Great Britain, trade-unionists objected to and until 1918 were successful in preventing the Labour Party from admitting members of other classes on individual bases. If socialists were to be successful, theirs had to be a workers' party. In Sweden, the first local cells of the Social Democratic Party were in fact called *Arbetarekommuner*, Workers' Communes (Fusilier, 1954: 29). Socialists were anxious to emphasize the class character of the movement and were willing to make doctrinal compromises to implant socialism among workers.

The Electoral Dilemma

The majority which socialists expected to win in elections was to be formed by workers. The proletariat – acting upon its interests and conscious of its mission – was to be the social force precipitating the society into socialism. But this proletariat was not and never became a numerical majority of voting members of any society. The prediction that the displaced members of the old middle classes would either become proletarians or join the army of the unemployed did not materialize.

The old middle classes, particularly the independent agricultural proprietors, almost vanished as a group in most Western European countries, but their sons and daughters were more likely to find employment in an office or a store than in a factory. Moreover, while the proportion of adult population engaged in any activity outside the household drastically fell in the course of capitalist development, those excluded from gainful activities did not become a reserve proletariat. Extended compulsory education, forced retirement, large standing armies, effective barriers to economic participation of women – all had the effect of reducing the entry into the proletariat. As the result, from 1890 to 1980 the proletariat continued to be a minority of the electorate. In Belgium, the first European country to have built substantial industry, the proportion of workers did break the magic number of the majority when it reached 50.1 percent in 1912. Since then it has declined systematically, down to 19.1 percent in 1971. In Denmark, the proportion of workers in the electorate never exceeded 29 percent. In Finland, it never surpassed 24 percent. In France, this proportion declined from 39.4 percent in 1893 to 24.8 in 1968. In Germany, workers increased as a proportion of the electorate from 25.5 percent in 1871 to 36.9 in 1903 and since then have constituted about one-third of the electorate. In Norway, workers constituted 33 percent of the electorate in 1894 and their proportion peaked in 1900 at 34.1 percent. In Sweden, the proportion of workers in the electorate grew from 28.9 percent in 1908 to 40.4 percent in 1952; then it declined to 38.5 in 1964.

The rules of the democratic game, while universal and at times fair, show no compassion. If a party is to govern alone, unburdened by the moderating influence of alliances and the debts of compromise, it must obtain some specific proportion of the vote, not much different from 50 percent. Electoral institutions preceded the birth of parties which seek to use them as the vehicle toward socialism, and those institutions carry within themselves the fundamental rule which makes the victory of an isolated minority impossible. A party representing a class which has fewer members than the other classes combined cannot win electoral battles.

The combination of minority status with majority rule constitutes the historical condition under which socialists have to act. This objective condition imposes upon socialist parties a choice: socialists must choose between a party homogeneous in its class appeal but sentenced to perpetual electoral defeats and a party that struggles for electoral success at the cost of diluting its class character. This choice is not between revolution and reform. There is no a-priori reason and no historical evidence to suppose that an electoral class-pure party of workers would be any more revolutionary than a party heterogeneous in its class base. Indeed, class-pure electoral parties of workers, of which the S.P.D. during the Weimar period is probably the prime example (Hunt, 1970), can be totally committed to the defense of particularistic interests of workers within the confines of capitalist society. Such class parties can easily become mere electoral interest groups, pressuring for a larger share of the national product without any concern for the manner in which it is produced. A pure party of workers who constituted a majority of the electorate would perhaps have maintained its ultimate commitment without a compromise, as socialists said they would when they saw the working class as majoritarian. But to continue as a minority party dedicated exclusively to ultimate goals in a game in which one needs a majority – more, an overwhelming mandate – to realize these goals would have been absurd. To gain electoral influence for whatever aims, from the ultimate to the most immediate, working-class parties must seek support from members of other classes.

Given the minority status of workers within the class structure of capitalist societies, the decision to participate in elections thus alters the very logic of the problem of revolutionary transformation. The democratic system played a perverse trick on socialist intentions: the emancipation of the working class could not be the task of workers themselves if this emancipation was to be realized through elections. The only question left was whether a majority for socialism could be recruited by seeking electoral support beyond the working class.

There is a peculiar tendency among contemporary observers to see the strategy of appealing to a heterogeneous class base as a relatively recent effect of the "deradicalization" of socialist movements. The German *Mittleklass Strategie* is seen as the prototype of this new orientation and Kurt Schumacher as its architect (Paterson, 1977). In this interpretation socialist parties begin to enlist support from groups other than workers only after they have given up their socialist goals.

This view is simply inaccurate. Socialist parties sought support beyond the working class as soon as the prospect of electoral victory became real and ever since they continued to go back and forth between a search for allies and the emphasis on the working class. That triumphant forecast made by Engels in 1895 which predicated that socialists would become a force before which "all powers will have to bow" was conditional in his view upon the success of the party in "conquering the greater part of the middle strata of society, petty bourgeoisie and small peasants." His advice to the French party – advice the French did not need since they were already doing it (Landauer, 1961) – was the same: recruit the small peasants. The Erfurt Programme of 1891 set the tone in which appeals to "the middle classes" were couched: their interests "paralleled" those of the proletariat; they were the "natural allies" of the proletariat (Kautsky, 1971). Guesdists in France began to advocate alliances as soon as Guesde was elected to the Parliament in 1893 (Derfler, 1973: 48). In Belgium, the first program adopted in 1894 by the *Parti Ouvrier* appealed to the lower-middle class and the intelligentsia (Landauer, 1959, I: 468). In Sweden, a multi-class strategy was debated as early as 1889, and the party kept moving toward a heterogeneous class orientation until its full acceptance in 1920 (Tingsten, 1973). The British Labour Party did defeat in 1912 a proposal to open the membership, on an individual basis, to "managers, foremen, [and] persons engaged in commercial pursuits on their own account." (McKibbin, 1974: 95) But in 1918, as it took a programmatic turn to the Left, Labour opened its ranks to "workers by brain." Indeed, in his polemic with Beer (1969), McKibbin interprets the very emphasis on socialism in the 1918 program as an attempt to capture the "professional middle classes." (1974: 97) Revisionists everywhere asserted that workers were not a majority and that the party must seek support beyond the working class. Bernstein, Jaures, and MacDonald came to this conclusion independently: once a party committed itself to electoral competition they had to embrace this conclusion. By 1915, Michels could already characterize social democratic strategy as follows:

> For motives predominantly electoral, the party of the workers seeks support from the petty bourgeois elements of society, and this gives rise to more or less extensive reactions upon the party itself. The Labour Party becomes the party of the "people." Its appeals are no longer addressed to the manual workers, but to "all producers," to the "entire working population," these phrases being applied to all the classes and all the strata of society except the idlers who live upon the income from investments. (1962: 254)

The post-war orientation of several social democratic parties toward broadly understood middle strata is not a result of a new strategic posture but rather a reflection of the changing class structure of Western Europe. The proportion of the population engaged in agriculture declined during the twentieth century, more rapidly during the 1950s than during any of the preceding decades. The "new middle classes" almost replaced the "old" ones numerically. Party strategies reflected, albeit with some lag, the numerical evolution of class structure. What is relatively new, therefore, is only the explicit indication of salaried employees as the pool of potential socialist support. It was Bernstein after all who introduced the notion of the *Volkspartei*, not Schumacher or Brandt. The search for allies is inherent to electoralism.

Once they decided to compete for votes of "natural allies," whether these were the old or the new middle classes, socialists were appealing to the overwhelming majority of the population. Branting's estimate in 1889 that the "people" constituted 95 percent of the Swedish society was probably only slightly exaggerated, given his definition of "the people." (Tingsten, 1973: 135) Seeking an equitable distribution of the burden of World War I debt, *Labour and the New Social Order*, a programmatic document of the party, asserted that "In this manner the Labour Party claims the support of four fifths of the whole nation." (Henderson, 1918: 125) There is no reason to doubt that today the working class together with its allies comprise around 80 percent of the population of France (*Parti Communiste Français*, 1971) or of the United States (Wright, 1976). If to industrial workers we add white-collar employees, petits bourgeois, housewives, retirees, and students, almost no one is left to represent interests antagonistic to socialism. Exploiters remain but a handful: "the business man with a tax-free expense account, the speculator with tax-free capital gains and the retiring company director with a tax-free redundancy payment," in the words of the 1959 Labour Party electoral manifesto (Craig, 1969: 130).

Yet social democratic parties never obtained the votes of four-fifths of the electorate in any country. Only in a few instances have they won the support of the one-half of the people who actually went to the polls. They are far from obtaining the votes of all whom they claim to represent. Moreover, they cannot even win the votes of all workers – the proletariat in the classical sense of the word. In several countries as many as one-third of manual workers vote for bourgeois parties. In Belgium as many as one-half of the workers do not vote socialist (Hill, 1974: 83). In the United Kingdom, the Labour Party lost 49 percent of the working-class vote in the 1979 election. Social democrats appear condemned to minority status when they are a class party, and they seem equally relegated when they seek to be the party of the masses, of the entire nation. As a pure party of workers they cannot win the mandate for socialism, but as a party of the entire nation they have not won it either.

Some of the reasons why no political party ever won a majority with a program of socialist transformation are undoubtedly external to the electoral system. Yet social democratic parties face a purely electoral dilemma. Class shapes political behavior of individuals only as long as people who are workers are organized politically as workers. If political parties do not mobilize people qua workers but as "the masses," "the people," "consumers," "taxpayers," or simply "citizens," then workers are less likely to identify themselves as class members and, eventually, less likely to vote as workers. By broadening their appeal to the "masses," social democrats weaken the general salience of class as a determinant of political behavior of individuals.

The strategies oriented toward broad electoral support have an effect not only upon the relation between workers and other classes but primarily within the class, upon the relations among workers. In order to be successful in electoral competition, social democratic parties must present themselves to different groups as an instrument for the realization of their immediate economic interest, immediate in the sense that these interests can be realized when the party is victorious in the forthcoming election. Supra-class alliances must be based on a convergence of immediate economic interests of the working class and of other groups. Social democrats must offer credits to the petite bourgeoisie, pensions to salaried employees, minimal wages to workers, protection to consumers, education to the young, family allowances to families. This convergence cannot be found in measures that strengthen the cohesion and combativeness of workers against other classes. When social democrats extend their appeal, they must promise to struggle not for objectives specific to workers as a collectivity – those that constitute the public goods for workers as a class – but only those which workers share as individuals with members of other classes. The common grounds can be found in a shift of tax burden from indirect to direct taxation, in consumer protection laws, in spending on public transportation, and the like. These are concerns which workers as individuals share with others who receive low incomes, who purchase consumer products, who commute to work. They are not interests of workers as a class but of the poor, of consumers, commuters, etc.

None of this implies that the party no longer represents workers when it appeals to the masses. Although the convergence is never perfect and some interests of workers are often compromised, the party continues to represent those interests which workers as individuals share with other people. Hence social democratic parties oriented toward "the people" continue to be parties of workers as individuals. What they cease to be is the organization of workers as a class which disciplines individuals in their competition with each other by posing them against other classes. It is the very principle of class conflict – the conflict between internally cohesive collectivities – that becomes compromised as parties of workers become parties of the masses.

Differentiation of the class appeal, however, affects not only the organization of workers as a class. It has a fundamental effect on the form of political conflicts in capitalist societies since it reinstates a classless vision of politics. When social democratic parties become parties "of the entire nation," they reinforce the vision of politics as a process of defining the collective welfare of "all members of the society." Politics once again is defined on the dimension individual–nation, not in terms of class.

This de-emphasis of class conflict in turn affects workers. As class identification becomes less salient, socialist parties lose their unique appeal to workers. Social democratic parties are no longer qualitatively different from other parties; class loyalty is no longer the strongest base of self-identification. Workers see society as composed of individuals; they view themselves as members of collectivities other than class; they behave politically on the basis of religious, ethnic, regional, or some other affinity. They become Catholics, Southerners, Francophones, or simply "citizens."

It is now clear that the dilemma comes back with a vengeance within the very system of electoral competition. The choice between class purity and broad support must be lived continually by social democratic parties because when they attempt to increase their electoral support beyond the working class these parties reduce their capacity to mobilize workers. This choice was not made once and for all by any party; nor does it represent a unidirectional evolution. Indeed, if there exists an electoral trade-off between appealing to the masses and recruiting workers, then strategic shifts are imperative from the purely electoral point of view. Histories of particular parties are replete with strategic reversals, with major changes of direction, controversies, schisms, and scissions. S.P.D. returned to an emphasis on class in 1905; Swedish Social Democrats temporarily abandoned their attempt to become a multi-class party once in 1926 and then again in 1953; the Norwegian Labor Party emphasized its class orientation in 1918; German young socialists launched a serious attack on the *Mittleklass Strategie* a decade ago; conflicts between an *ouvrierist* and a multi-class tendency today wrench several parties. In terms of purely electoral considerations social democrats face a dilemma. They are forced to go back and forth between an emphasis on class and an appeal to the nation. They seem unable to win either way, and they behave the way rational people do when confronted with dilemmas: they bemoan and regret, change their strategies, and once again bemoan and regret.

Social democrats have not succeeded in turning elections into an instrument of socialist transformation. To be effective in elections they have to seek allies who would join workers under the socialist banner, yet at the same time they erode exactly that ideology which is the source of their strength among workers. They cannot remain a party of workers alone and yet they can never cease to be a workers' party.

Reform and Revolution

Socialists entered into elections with ultimate goals. The Hague Congress of the First International proclaimed that the "organization of the proletariat into a political party is necessary to insure the victory of social revolution and its ultimate goal – the abolishment of classes." (Chodak, 1962: 39) The first Swedish program specified that "Social Democracy differs from other parties in that it aspires to completely transform the economic organization of bourgeois society and bring about the social liberation of the working class. . . ." (Tingsten, 1973: 118–19) Even the most reformist among revisionists, Millerand, admonished that "whoever does not admit the necessary and progressive replacement of capitalist property by social property is not a socialist." (Ensor, 1908: 51)

These were the goals that were to be reached through legislation, upon a mandate of an electorally expressed majority, as the will of universal suffrage. Socialists were going to abolish exploitation, to destroy the division of society into classes, to remove all economic and political inequalities, to finish the wastefulness and anarchy of capitalist production, to eradicate all sources of injustice and prejudice. They were going to emancipate not only workers but humanity, to build a society based on cooperation, to rationally orient energies and resources toward satisfaction of human needs, to create social conditions for an unlimited development of personality. Rationality, justice, and freedom were the guiding goals of the social democratic movement.

These were ultimate goals: they could not be realized immediately, for economic as well as political reasons. And social democrats were unwilling to wait for the day when these aims could finally be accomplished. They claimed to represent interests of workers and of other groups not only in the future but as well within "present-day," that is capitalist, society. The *Parti Socialiste Français,* led by Jaures, proclaimed at its Tours Congress of 1902 that "The Socialist Party, rejecting the policy of all or nothing, has a program of reforms whose realization it pursues forthwith," and listed fifty-four specific demands concerning democraticization, secularization, organization of justice, family, education, taxation, protection of labor, social insurance, nationalization of industries, and foreign policy (Ensor, 1908: 345ff.). The first program of the Swedish Social Democrats in 1897 demanded direct taxation, development of state and municipal productive activities, public credit including direct state control of credit for farmers, legislation concerning work conditions, old age, sickness, and accident insurance, legal equality, and freedoms of organization, assembly, speech, and press (Tingsten, 1973: 119–20).

This orientation toward immediate improvements was never seen by its architects as a departure from ultimate goals. Since socialism was thought to be inevitable, there would be no reason why immediate measures should not be advocated by socialist parties: there was no danger, not even a possibility, that such measures could prevent the advent of the inescapable. As Kautsky put it, "it would be a profound error to imagine that such reforms could delay the social revolution." (1971: 93) Ultimate goals were going to be realized because history was on the side of socialism. Revisionists within the movement were, if anything, even more deterministic than those who advocated insurrectionary tactics. Millerand argued, for example, in the Saint-Mandé speech that "Men do not and will not set up collectivism; it is setting itself up daily; it is, if I may be allowed so to phrase it, being secreted by the capitalist regime." (Ensor, 1908: 50)

Even when social democratic movements left the protection of history to rediscover justification of socialism in ethical values, no dilemma appeared in the consciousness of socialist leaders. Bernstein's famous renunciation of final goals did not imply that they would remain unfulfilled, but only that the way to realize them was to concentrate on proximate aims. Jaures, speaking about the conquest of political power by workers, provided the classical image: "I do not believe, either, that there will necessarily be an abrupt leap, the crossing of the abyss; perhaps we shall be aware of having entered the zone of the Socialistic State as navigators are aware of having crossed the line of a hemisphere – not that they have been able to see as they crossed a cord stretched over the ocean warning them of their passage, but that little by little they have been led into a new hemisphere by the progress of their ship." (Ensor, 1908: 171) Indeed, for social democrats immediate reforms constitute "steps" in the sense that gradually they accumulate toward a complete restructuring of society. Anticipating Bernstein's argumentation, Georg von Vollmar, the leader of the Bavarian wing of the S.P.D., declared at the Erfurt Congress: "Beside the general or ultimate goal we see a nearer aim: the advancement of the most immediate needs of the people. For me, the achievement of the most immediate demands is the main thing, not only because they are of great propagandist value and serve to enlist the masses, but also because, in my opinion, this gradual progress, this gradual socialization, is the method strongly indicated for a progressive transition." (Gay , 1970: 258)

Reform and revolution do not require a choice within the social democratic view of the world. To bring about "social revolution" – the phrase which before 1917 connoted transformation of social relations but not necessarily an insurrection – it is sufficient to follow the path of reforms. Reforms are thought to be cumulative and irreversible: there was nothing strange in Jaures' argument that "Precisely because it is a party of revolution . . . the Socialist Party is the most actively reformist. . . ." (Fiechtier, 1965: 163) The more reforms, the faster they are introduced, the nearer the social revolution, the sooner the socialist ship would sail into the new world. And even when times are not auspicious for new steps to be made, even when political or economic circumstances require that reforms be postponed, eventually each new reform would build upon past accomplishments. Mitigating the effects of capitalism and transforming it piece by piece would eventually lead to a complete restructuring of society. Reviewing Miliband's (1969) book, Benjamin Barber best expressed this perspective: "surely at some point mitigation becomes transformation, attenuation becomes abolition; at some point capitalism's 'concessions' annihilate capitalism. . . . This is not to say that such a point has been reached, only that there must be such a point." (1970: 929)

Economic Projects and Political Realities

The "social revolution" envisioned by social democrats was necessary because capitalism was irrational and unjust. And the fundamental cause of this inefficiency and inequity was private property of the means of production. While private property was occasionally seen as the source of most disparate evils – from prostitution and alcoholism to wars – it was always held directly responsible for the irrationality of the capitalist system and for the injustice and poverty that it generated.

Already in "*Socialism: Utopian and Scientific*", one of the most important theoretical sources of the socialist movement, Engels emphasized that the increasing rationality of capitalist production within each firm is accompanied, and must be accompanied, by the chaos and anarchy of production at the societal scale. "The contradiction between socialized production and capitalist appropriation," Engels wrote, "now presents itself as *an antagonism* between the organization of production in the individual workshop and the anarchy of production in society generally." (1959: 97–8) Speaking in 1920, Branting repeated that "In the basic premises of the present social order there are no satisfactory guarantees either that production as an entity is given the most rational orientation possible, or that profit in the various branches is used in the way that is best from the national economic and social point of view." (Tingsten, 1973: 239)

The second effect of private property is the unjust distribution of material rewards which it generates. "The economic case for socialism," wrote a Labour Party theoretician, "is largely based on the inability of capitalism to bring about any equitable or even practicable distribution of commodities in an age of mechanisation and mass-production." (Cripps, 1933: 475) Even the most decisive break with the marxist tradition, the Bad Godesberg program of 1959, maintained that the "Market economy does not assure of itself a just distribution of income and property."

Given this analysis, socialization or nationalization of the means of production was the principal method for realizing socialist goals and hence the first task to be accomplished by social democrats after the conquest of power. "Social revolution," writes Tingsten (1973: 131), "was always understood to mean systematic, deliberate socialization under the leadership of the Social Democratic working class." Socialization or nationalization – a terminological ambiguity which was significant – was the manner by which socialist revolution would be realized.

Until World War I, as socialist parties concentrated their efforts on winning suffrage and organizing workers as a class, little if any concrete thought was devoted to the means by which socialization was to be accomplished. The very possibility of actually being in a position to pursue a program of socialization caught all socialist parties by surprise when the war destroyed the established order, unleashed spontaneous movements of factory occupations, and opened the doors to governmental participation. Indeed, the wave of factory occupations which occurred in Austria, Germany Finland, Italy, and Sweden appeared to the established socialist parties and trade-unions almost as much a threat to their own authority and organization as to the capitalist order (Maier, 1975: 63; Spriano, 1967: 50–63; Williams, 1975: 121–45: Wigforss, 1924: 672).

As these spontaneous movements were repressed or exhausted, the logic of parliamentarism re-established its grip on the social democratic movement. Nationalization efforts turned out to be so similar in several countries that their story can be summarized briefly. The issue of socialization was immediately placed on the agenda of social democratic parties in Austria, Finland, Germany, Great Britain, Holland, Italy, and Sweden and of the C.G.T. in France. In several countries, notably Germany, Great Britain, and Sweden, "socialization committees" were established by respective parliaments, while in France Léon Blum introduced in the Chamber a bill to nationalize the railway industry. The commissions were supposed to prepare detailed programs of socialization – in some cases for all basic industries and in others for specific ones, typically coal. The British commission finished its career quickly as Lloyd George simply ignored its recommendations; in Germany the issue of coal nationalization lingered after the resignation of the first commission; and in Sweden the socialization committee worked sixteen years, spending most of its time studying similar efforts elsewhere, and expired without making any recommendations. Although social democrats formed or entered governments in several countries, the global result of these first attempts at socialization was null: with the exception of the French armament industry in 1936, not a single company was nationalized in Western Europe by a social democratic government during the entire inter-war period.

How did it happen that the movement that set itself to revolutionize society by changing the very base of its productive organization ended the period of integration into the political institutions of capitalism without even touching its fundaments? When Marx described in 1850 the anatomy of capitalist democracy, he was certain that, unless withdrawn, universal suffrage would lead from "political to social emancipation"; that, once endowed with political rights, workers would proceed immediately to destroy the "social power" of capitalists by socializing the means of production (1952a: 62). Still in 1928, Wigforss saw this outcome as inevitable: "The universal suffrage is incompatible with a society divided into a small class of owners and a large class of unpropertied. Either the rich and the propertied will take away universal suffrage, or the poor, with the help of their right to vote, will procure for themselves a part of the accumulated riches." (Tingsten, 1973: 274–5) And yet while social democrats held power in Austria, Belgium, Denmark, Finland, France, Germany, Great Britain, Norway, and Sweden, the riches remained nearly intact, and certainly private property of the means of production was not disturbed.

One can cite a number of reasons. Not negligible was the theoretical ambiguity of the very project of the "expropriation of expropriators." One difficulty lay in that ambiguous relation between "socialization" – the turning over of industries to their employees – and "nationalization" – their general direction by the state. On the one hand, as Korsch (1975: 68), Wigforss (Tingsten, 1973: 208), and others pointed out, direct control of particular firms by the immediate producers would not remove the antagonism between producers and consumers, that is, workers in other firms. On the other hand, transfer to centralized control of the state would have the effect of replacing the private authority of capital by the bureaucratic authority of the government, and the Soviet example loomed large as a negative one. The *gestionnaire* tendency dominated in Germany, where the principle was even incorporated into the constitution, and Sweden; the *planiste* tendency found its most important articulation in Belgium and France under the influence of Henri de Man. A veritable wave of constitution-writing ensued immediately in the aftermath of World War I: Otto Bauer in Austria (1919), Karl Kautsky in Germany (1925), G. D. H. Cole in Great Britain (1919), Henri de Man in Belgium – all rushed to devise some ways of combining rationality at the level of the society as a whole with the control of the immediate producers over their own activities.

Yet this burst of theoretical activity came rather belatedly in relation to the demands of practical politics. The fact, frequently admitted by social democratic politicians, was that they did not know how to proceed to the realization of their program. The choice of industries which were to be nationalized, methods of financing, techniques of management, and the mutual relations among sectors turned out to be technical problems for which social democrats were unprepared. Hence they formed study commissions and waited.

Nevertheless, the cause of the social democratic inertia was much more profound than the ambiguity of their plans. Socialists nowhere won a sufficient number of votes to obtain a parliamentary majority and hence to be able to legislate anything without support or at least consent of other parties. Remarkably, and quite to their surprise, socialist parties in several countries were invited to take office as minority governments or to enter governments as members of multi-party coalitions. And the question of what to do as a minority government presented itself as the following choice: either the party would pursue its socialist objectives and be promptly defeated or it would behave like any other party, administering the system and introducing only those few reforms for which it could obtain a parliamentary majority.

Each strategy was viewed in terms of its long-term effects. Proponents of the maximalist strategy argued that the party would educate the electorate about its socialist program and would expose the reactionary character of the bourgeois parties. They claimed that the people would then return the party to office with a majority and the mandate to pursue its socialist program. Only in Norway was this strategy adopted; the government lasted three days in 1928; and the party was returned to office four years later only after it had moderated its socialist objectives.

Proponents of a minimal program argued that the most important task a party could accomplish was to demonstrate that it is "fit to govern," that it is a governmental party. "We are not going to undertake office to prepare for a General Election," said MacDonald in 1924, "we are going to take office in order to work." (Miliband, 1975: 101) Their expectation, in turn, rested on the belief that reforms were irreversible and cumulative. As Lyman put it,

> Gradualists imagined that socialism could be achieved by instalments, each instalment being accepted with no more serious obstruction on the part of the Conservatives than Labour opposition generally gave to Tory governments. Each instalment would then remain, unharmed by interludes of Tory rule, and ready to serve as the foundation on which the next Labour government would resume construction of the socialist commonwealth. (1965: 142–3)

Hence the party would come into office, introduce those reforms and only those reforms for which it could muster the support of a parliamentary majority, and then leave to return when a new mandate issued from the electorate. "We hope to continue only as long in office, but certainly as long in office as will enable us to do some good work that will remove many obstacles which would have hampered future governments if they found the problems that we know how to face": this was the intention of the Labour Party in 1924 (MacDonald cited by Lyman, 1957: 106; for a similar statement by Branting in 1920 see Tingsten, 1973: 238). Hence Blum introduced a distinction between the "exercise of power" and the "conquest of power": as a minority socialists could only exercise it, but they should exercise it in such a way that would eventually lead to its conquest (Colton, 1953).

The Compromise

If socialists could not pursue an immediate program of nationalization, what could they do in the meantime? They could and did pursue ad-hoc measures designed to improve the conditions of workers: develop housing programs, introduce minimal wage laws, institute some protection from unemployment, income and inheritance taxes, old age pensions. Such measures, although they favored workers, were neither politically unfeasible nor economically shocking – they continued the tradition of reforms of Bismarck, Disraeli, and Giolitti. These measures modified neither the structure of the economy nor the political balance of forces.

The fact is that until the 1930s social democrats did not have any kind of an economic policy of their own. The economic theory of the Left was the theory that criticized capitalism, claimed the superiority of socialism, and led to a program of nationalization of the means of production. Once this program was suspended – it was not yet abandoned – no socialist economic policy was left (Bergounioux and Manin, 1979: 110). Socialists behaved like all other parties: with some distributional bias toward their constituency but full of respect for the golden principles of the balanced budget, deflationary anti-crisis policies, gold standard, and so on. Skidelsky's characterization of the Labour Party is of general validity: "The English political culture was relatively homogeneous. There were certain leading ideas, or patterns of thought, which all sensible men accepted. This applied particularly to economic thinking. Politicians in the 1920s deployed a stock of economic wisdom which was a kind of codification of what they assumed to be the successful practice of the 19th century. . . ." (1970: 6) Of Blum it is said that he "could envisage no intermediate stage between pure doctrinaire socialism and the free play of capitalism . . ." (Wall, 1970: 541), and it seems that neither could anyone else. The only known theory of reforms was that which called for nationalization; no other coherent alternative existed.

Such an alternative did emerge in response to the Great Depression. In Sweden, Norway, and to a lesser extent France, socialist governments responded to unemployment with a series of anti-cyclical policies that broke the existing economic orthodoxy. It remains a matter of controversy whether the Swedish policies were developed autonomously, from Marx via Wicksell, or were an application of the already circulating ideas of Keynes (Gustafsson, 1973). The fact is that social democrats everywhere soon discovered in Keynes' ideas, particularly after the appearance of his *General Theory*, something they urgently needed: a distinct policy for administering capitalist economies. The Keynesian revolution – and this is what it was – provided social democrats with a goal and hence the justification of their governmental role, and simultaneously transformed the ideological significance of distributive policies that favored the working class.

From the passive victim of economic cycles, the state became transformed almost overnight into an institution by which society could regulate crises to maintain full employment. Describing the policies of the Swedish government of 1932, Gustav Möller, the architect of the unemployment program, emphasized that previously unemployment relief was a "system meant only to supply bare necessities to the unemployed, and did not have the purpose of counteracting the depression . . . Economic cycles, it was said, follow natural economic laws, and governmental interference with them is, by and large, purposeless and, from a financial point of view, even dangerous in the long run." (1938: 49) Both Möller and Wigforss (1938) described how the Swedish Social Democrats discovered that unemployment can be reduced and the entire economy invigorated if the state follows anti-cyclical policies, allowing deficits to finance productive public works during depressions and paying back the debts during periods of expansion. Society is not helpless against the whims of the capitalist market, the economy can be controlled, and the welfare of citizens can be continually enhanced by the active role of the state: this was the new discovery of social democrats.

And this was not yet all: Keynesianism was not only a theory that justified socialist participation in government but, even more fortuitously from the social democratic point of view, it was a theory that suddenly granted a universalistic status to the interests of workers. Earlier, all demands for increased consumption were viewed as inimical to the national interest: higher wages meant lower profits and hence a reduced opportunity for investment and future development. The only conceivable response to crisis was to cut costs of production, that is, wages. This was still the view of the Labour Party in 1929. But in the logic of Keynes' theory higher wages, particularly if the wage fund was increased by raising employment rather than the wage rate (which did not rise in Sweden until 1936), meant an increase of aggregate demand, which implied increased expectations of profit, increased investment, and hence economic stimulation. Although it is again unclear whether this policy was indeed influenced by Keynes' writings (Colton, 1969: 198), the French *Front Populaire* introduced in 1936 a policy whereby "Through wage increases, a shorter work week, a public works program, and travel and vacation expenditures . . . purchasing power and consumer demand would be raised, industry would increase production to meet the rising demand . . . and the depression would be overcome." (Colton, 1969: 190) The significance of increasing wages changed from being viewed as an impediment to national economic development to its stimulus. Short-term particularistic interests of workers and of other people who consumed most of their income could now be held to coincide with the long-term interest of society as a whole. Corporatist defense of the interests of workers, a policy social democrats pursued during the twenties, and the electoral strategy toward the "people" now found ideological justification in a technical economic theory. The very terms of ideological discourse became transformed; "the costs of the health service," wrote Bertil Ohlin in 1938 (1938: 5), "represented an *investment* in the most valuable productive instrument of all, the people itself. In recent years it has become obvious that the same holds true of many other forms of 'consumption' – food, clothing, housing, recreation. Hence, the emphasis is put on 'productive' social policy. . . ." But this revolution implied another: "The tendency," Ohlin continued, "is in the direction of a 'nationalization of consumption,' as opposed to the nationalization of the 'means of production' of Marxian socialism."

The Keynesian turn soon led social democrats to develop a full-fledged ideology of the "welfare state." (Briggs, 1961) Social democrats defined their role as that of modifying the play of the market forces, in effect abandoning the project of nationalization altogether. The successful application of Keynesian instruments was seen as the demonstration that nationalization – full of problems and uncertainties that it proved to be – was not only impossible to achieve in a parliamentary way but was simply unnecessary. Keynes himself wrote that "It is not the ownership of the instruments of production which it is important for the state to assume. If the state is able to determine the aggregate amount of resources devoted to augmenting the instruments and the basic rate of reward to those who own them, it will have accomplished all that is necessary." (1964: 378) As Wigforss argued further (Lewin, 1975: 286), state ownership of particular industries would only result in the socialist government being forced to behave as a capitalist firm, subject to "the chaos of the market," while by indirect control the state could rationalize the economy as a whole and orient it toward the general welfare.

The theoretical underpinning of this new perspective was the distinction between the concept of property as the authority to manage and property as legal possession. Already Bernstein claimed that "the basic issue of socialization is that we place production, economic life, under the control of the public weal." (Cited by Korsch, 1975: 65) Instead of direct ownership, the state could achieve all the socialist goals by influencing private industry to behave in the general interest. "The essence of nationalization," wrote de Man in 1934 (Bergounioux and Manin, 1979: 114), "is less the transfer of property than the transfer of authority. . . ." If the state could regulate private industry when necessary and if it could mitigate the effects of the free play of market forces, then direct ownership would be unnecessary and inadvisable: this became the motto of social democracy in the aftermath of the Keynesian revolution.

In sum, unable as minority governments to pursue the socialist program, in the mid-thirties, social democracy found a distinct economic policy which justified its governmental role, which specified a number of intermediate reforms that could be successively accomplished within the confines of capitalism, and which provided in several countries a successful electoral platform. Caught in the twenties in an all-or-nothing position, social democrats discovered a new path to reform by abandoning the project of nationalization for that of general welfare. The new project did involve a fundamental compromise with those who were still being denounced as exploiters, but it was economically workable, socially beneficial, and, perhaps most importantly, politically feasible under democratic conditions.

The Abandonment of Reformism

The abandonment of programmatic nationalization of the means of production did not imply that the state would never become engaged in economic activities. In contemporary Western European countries between 5 and 20 percent of gross product is now being produced by enterprises of which the state is in some form a complete owner (*Le Monde*, 1977). The paths by which this "public sector" developed are too varied to recount here. In Italy and Spain the public sector constitutes mainly a fascist legacy; in Austria it consists predominantly of confiscated German properties; in Great Britain and France a wave of nationalizations followed World War II. Outright nationalizations – the transfer of existing private companies into state property – have been very rare, but in several countries the state has developed economic activities of its own. In most countries the public firms have the same legal status and operate with the same rationality as private companies; the state is simply a stockholder. In Italy, Great Britain, and France state firms have been used occasionally as instruments of economic policy. Yet in spite of these variations, the general philosophy of public ownership is widely shared: social democrats are committed to the free market whenever possible, public ownership when necessary.

Characteristically, state enterprises are limited to credit institutions, coal, iron and steel, energy production and distribution, transport, and communication. Outside these sectors only those companies which are threatened with bankruptcy and hence a reduction of employment pass into public hands. Instances in which the state would be engaged in producing and selling final-demand goods are extremely rare; they seem to be limited to the automobile industry. The state engages in those economic activities which are necessary for the economy as a whole and sells its products and services mainly to private firms. These private firms then sell to consumers. Hence, the state does not compete with private capital but rather provides the inputs necessary for the profitable functioning of the economy as a whole.

This division between the state and the market has been enshrined in the "public goods theory of the state." (Samuelson, 1966; Musgrave, 1971) This theory assumes that the capitalist market is a natural form of economic activity; the existence of the market and its laws are taken as given. The role of the state is supposed to be limited to the provision of so-called "public goods": those that are indivisible and which can be supplied to everyone if they are supplied to anyone. It is proper for the state to construct public roads or to train the labor force: rational private entrepreneurs will not provide such goods since they cannot prevent people from using roads or from selling their newly acquired skills to competitors. The role of the state is thus supposed to be limited to those activities that are unprofitable for private entrepreneurs yet needed for the economy as a whole. True, the state in several countries is also engaged in the production of goods that are private – such as coal and steel – but here again the transfer into the public sector occurred with few exceptions when and because these industries were unprofitable under the conditions of international competition. Indeed, these were the industries that could be most easily nationalized and maintained in the public sector since their owners had no reason to fight against nationalization of unprofitable industries.

Hence, the structure of capitalist systems built by social democrats turned out to be the following: (1) the state operates those activities which are unprofitable for private firms but necessary for the economy as a whole; (2) the state regulates, particularly by pursuing anti-cyclical policies, the operation of the private sector; and (3) the state mitigates, through welfare measures, the distributional effects of the operation of the market.

The regulatory activities of the state are based on the belief that private capitalists can be induced to allocate resources in a manner desired by citizens and expressed at the polls. The basic notion is that in a capitalistic democracy resources are allocated by two mechanisms: the "market," in which the weight of preferences of decision-makers is proportional to the resources they control, and the state, in which the weight of preferences is distributed equally to persons qua citizens. The essence of contemporary social democracy is the conviction that the market can be directed to those allocations of any good, public or private, that are preferred by citizens and that by gradually rationalizing the economy the state can turn capitalists into private functionaries of the public without altering the judicial status of private property.

The intervention of the state in the economy is to be guided by criteria of efficiency, which are sharply distinguished from a concern for justice. The notion of efficiency is independent of any distributional considerations. An efficient allocation of resources – in the light of the criterion shared across political lines and viewed as technical – is that in which no one can be better off without someone else being worse off. Under such an allocation some people can be much better off than others but the problem of distribution is, in this view, better managed when it is treated ex post. Hence the social policy of social democrats consists largely of mitigating the distributional effects of allocations of resources guided by criteria of efficiency. This policy is not designed to transform the economic system but only to correct the effects of its operation.

Having made the commitment to maintain private property of the means of production, to assure efficiency, and to mitigate distributional effects, social democracy ceased to be a reformist movement. (See particularly Brandt's views in Brandt, Kreisky, and Palme, 1976.) Reformism always meant a gradual progression toward structural transformations; reformism was traditionally justified by the belief that reforms are cumulative, that they constitute steps, that they lead in some direction. The current policy of social democrats by its very logic no longer permits the cumulation of reforms.

The abandonment of reformism is a direct consequence of those reforms that have been accomplished. Since the state is engaged almost exclusively in those activities which are unprofitable from the private point of view, it is deprived of financial resources needed to continue the process of nationalization. If the publicly owned industries had been those that are most profitable, then the profit could be used to purchase or develop other industries. But having gotten involved in deficitary sectors, social democrats undermined their very capacity to gradually extend the public realm. Moreover, the ideological effects cannot be neglected: the situation was created in which the public sector is notoriously inefficient by private capitalist criteria and the result has been a backlash against the growth of the state. That is, the firms that landed in the public sector were mostly those that were inefficient by capitalist criteria and now it seems that they are inefficient precisely because they are public. Hence the main preoccupation of all governments, socialist or not, becomes cost-cutting, which in turn means that the publicly owned industries cannot even be utilized as instruments of macro-economic policy, for example, by holding down prices of steel to reduce inflationary pressures.

At the same time, having strengthened the market, social democrats perpetuate the need to mitigate the distributional effect of its operation. Welfare reforms do not even have to be "undone" by bourgeois governments. It is sufficient that the operation of the market is left to itself for any length of time and inequalities increase, unemployment fluctuates, shifts of demand for labor leave new groups exposed to impoverishment, etc. As Martin put it with regard to Great Britain, "The 'basic structure of the full employment welfare state' did not prove as durable as Crosland's analysis would lead us to expect. However, this was not because Conservative governments between 1951 and 1964 proceeded to dismantle it. . . . All that was necessary to undermine the full employment welfare state was for the Conservative Governments simply to do nothing to counteract these processes." (1975: 28) Mitigation does not become transformation: indeed, without transformation the need to mitigate becomes eternal. Social democrats find themselves in the situation which Marx attributed to Louis Bonaparte: their policies seem contradictory since they are forced at the same time to strengthen the productive power of capital and to counteract its effects.

The final result of this orientation is that social democrats again find themselves without a distinct alternative of their own as they face a crisis of the international system. When in office they are forced to behave like any other party, relying on deflationary, cost-cutting measures to ensure private profitability and the capacity to invest. Measures oriented to increase democracy at the work-place – the recent rediscovery of social democrats (Brandt, Kreisky, and Palme, 1976) – not surprisingly echo the posture of the movement in the 1920s, another period when the Left lacked any macro-economic approach of its own. These measures will not resolve pressing economic problems. It remains to be seen what will happen if the current international crisis seriously undermines the electoral basis of social democratic support.

Economic Bases of Class Compromise

As soon as social democrats formed governments after World War I, they discovered that their concern with justice was not immediately compatible with the goal of increased productivity. In Wigforss' words, "Because Social Democracy works for a more equal and more just distribution of property and incomes, it must never forget that one must produce before one has something to distribute." (Tilton, 1979: 516) The concern for restoring and extending industrial productive capacity quickly came to dominate the first discussions of socialization of industry in Germany and Sweden (Maier, 1975: 194; Tingsten, 1973: 230). Certainly a just distribution of poverty was not the socialist promise, and to enhance general affluence social democrats had to focus their efforts on increasing productivity.

But without nationalization of the means of production, increases of productivity require profitability of private enterprise. As long as the process of accumulation is private, the entire society is dependent upon maintaining private profits and upon the actions of capitalists allocating these profits. Hence the efficacy of social democrats – as of any other party – in regulating the economy and mitigating the social effects depends upon the profitability of the private sector and the willingness of capitalists to cooperate. The very capacity of social democrats to regulate the economy depends upon the profits of capital. This is the structural barrier which cannot be broken: the limit of any policy is that investment and thus profits must be protected in the long run. Since profits are private, the decisions of individual capitalists concerning the volume and direction of investment condition the effectiveness of interventions by the state and must be anticipated. The state which intervenes in the economy depends upon actions of capitalists for its fiscal resources, for information, for the capacity to elaborate policies and to plan, for its capacity to provide social services, and so on. Moreover, the very electoral support for any particular government depends upon actions of capitalists. People do not vote exclusively for "public goods" when they vote for a party: they vote against the incumbent government when their personal income falls or unemployment increases (Kramer, 1971; Stigler, 1973). Hence any party is dependent upon private capital even for its electoral survival in office.

Any government in a capitalist society is dependent upon capital (Offe and Runge, 1975: 140). The nature of political forces which come to office does not affect this dependence, for it is structural: a characteristic of the system and not of occupants of governmental positions, the winners of elections. Being "in power" gives little power: social democrats are subject to the same structural dependence as any other party.

The basic compromise of social democrats with private capital is thus an expression of the very structure of capitalist society. Once private property of the means of production was left intact, it became in the interest of wage-earners that capitalists appropriate profits. Under capitalism the profits of today are the condition of investment and hence production, employment, and consumption in the future. As Chancellor Schmidt put it, "The profits of enterprises today are the investments of tomorrow, and the investments of tomorrow are the employment of the day after." (*Le Monde*, July 6, 1976) This expectation – that current profits would be transformed into future improvements of material conditions of wage-earners – became the foundation of the social democratic consent to capitalism. Social democrats consent to the right of capitalists to withhold a part of societal product because the profits appropriated by capital are expected to be saved, invested, transformed into productive capacity, and partly distributed as gains to other groups. Hence this consent rests on an economic basis: it is a reflection of material interests of wage-earners within the capitalist society.

Social democrats protect profits from demands of the masses because radical redistributive policies are not in the interest of wage-earners. No one drew the blueprint and yet the capitalist system is designed in such a way that if profits are not sufficient, then eventually wage rates or employment must fall. Crises of capitalism are in no one's material interest; they are a threat to wage-earners since capitalism is a system in which economic crises must inevitably fall on their shoulders.

This is why social democrats trade off the abolition of private property of the means of production for cooperation of capitalists in increasing productivity and distributing its gains. This is why social democrats not only attempt to reproduce capitalism but struggle to improve it even against the resistance of capitalists. Nationalization of the means of production has turned out to be electorally unfeasible; radical redistributive policies result in economic crises which are not in the interest of wage-earners; and general affluence can be increased if capitalists are made to cooperate and wage-earners are continually disciplined to wait.

Social Democracy and Socialism

Social democrats will not lead European societies into socialism. Even if workers would prefer to live under socialism, the process of transition must lead to a crisis before socialism could be organized. To reach higher peaks one must traverse a valley, and this descent will not be completed under democratic conditions.

Suppose that social democrats win elections and attempt to use their position for a democratic transition to socialism. Given the social structure of capitalist societies, such an electoral victory is possible only if support can be obtained from several groups: industrial workers, non-manual employees, petite bourgeoisie, farmers, housewives, retired people, and/or students. Hence pressures for a significant improvement of material conditions erupt from several groups. Wages, particularly the minimal or "vital" wages (*sueldo vital* in Chile, *SMIC* in France), must be increased. Unemployment must be reduced. Transfers, particularly family allowances, must be raised. Credit for small enterprises and farms must become cheaper and available at a higher risk. These demands can be financed by (1) a redistribution of personal incomes (through both direct taxation and a reduction of wage differentials), (2) increased utilization of latent capacity, (3) spending of foreign reserves or borrowing, and/or (4) reduction of the rate of profit (Kolm, 1977). The sum of the first three sources will not be sufficient to satisfy the demands. Redistribution of top incomes does not have much of a quantitative effect, and it cannot reach too far down without threatening the electoral support of salaried employees. Suddenly activated latent capacity generates bottlenecks and is quickly exhausted. Foreign reserves must be spent carefully if the currency is not to be left at the mercy of foreign lenders and speculators. Moreover, even if the accounts balance in money terms, an economy organized to produce certain goods and services cannot be transformed overnight to satisfy the new demands for wage goods.

Forced to pay higher wages and to keep employment beyond the efficient level, capitalists can respond only by increasing the prices of wage goods. Inflation is also fueled by balance of payment difficulties resulting from the necessity to import wage goods and from speculatory pressures. Hence, either an inflationary dynamic sets into motion or, if prices are controlled, scarcities appear, a black market is organized, and so on. Eventually nominal wage increases become eroded, as they were in France in 1936 (Kalecki, 1936), in Chile and in Portugal.

Under normal circumstances it can be expected that the increase of aggregate demand should stimulate investment and employment. Redistributional measures, even if they include inorganic emission, are usually justified by appeals not only to justice but also to efficiency. As lower incomes increase, so does the demand for wage goods. The utilization of latent capacity and foreign reserves are seen as a cushion that would protect prices from increased demand during the short period before investment picks up and eventually when supply rises. It is expected that profits from a larger volume of sales will be reinvested and thus the economy will be stimulated to develop at a faster pace. This was, for example, the Vuskovic program in Chile – not at all unreasonable under normal circumstances.

Such a program cannot be successful, however, when economic demands grow spontaneously and when they are accompanied by structural transformations. Wage demands are likely to become confiscatory under such circumstances, and capitalists expect that these demands will be enforced or at least condoned by the government. As Bevin put it, "we will be in the position of having to listen to the appeal of our own people." (Lyman, 1957: 219) Increased government intervention means precisely that non-market rationality is imposed upon the process of accumulation, that is, that capitalists are forced to make allocations which are suboptimal with regard to profit. Measures of nationalization, distribution of land, and monopolization of credit and foreign exchange by the state threaten the very institution of private profit. Under such circumstances, rational private capitalists will not invest. No political organization and no conspiracy is even necessary; rational entrepreneurs do not invest if the return on investment is expected to be zero or negative and when the risk is high.

And yet production must continue: for in Kautsky's words, "If production does not continue, the entire society will perish, the proletariat included." "The victorious proletariat," Kautsky continued, "hence not only has all the reasons to facilitate the continuation of capitalist production in all the sectors where immediate socialization is not advisable, it should moreover prevent socialization from unleashing an economic crisis." (1925: 273) But capitalists whose means of production are saved from socialization for the time being will not invest if they fear that this moment would come. This is why Lange (1964: 125) thought that nationalization must be done "in one stroke":

> A socialist government really intent upon socialism has to decide to carry its socialization program at one stroke, or give it up altogether. The very coming to power of such a government must cause a financial panic and economic collapse. Therefore the socialist government must either guarantee the immunity of private property and private enterprise in order to enable the capitalist economy to function normally, in doing which it gives up its socialist aims, or it must go through resolutely with its socialization program at maximum speed.

Yet even if the socialist government is resolute, even if it makes all necessary attempts to reassure small entrepreneurs and property holders as Lange recommended, transformation of relations of production must be accompanied by an economic crisis. The pressure toward immediate consumption still operates with regard to public as much as private enterprises. Even if these enterprises are self-managed, each is still better off charging high prices for its products. The rigidities which prevent a sudden shift to production of wage goods are physical, not merely organizational. Moreover, nationalization generates economic problems of its own. Whether or not it was a deliberate political strategy, as Bologna (1972) and Marglin (1974) contend, capitalist production became reorganized in the aftermath of the council movement in such a manner that the immediate producers as a class lost the capacity to run the system of production on their own. The working class as seen by Marx was characterized not only by its exploitation but at the same time by its capacity to organize, at the social scale, the socialist system of production. Yet if ever true, it is no longer possible for the immediate producers to instantaneously assume control over the process of societal production: perhaps any cook can be taught how to administer the socialist society but a long apprenticeship is necessary. Socialist transformation requires an organizational and administrative capacity that cannot be acquired overnight. There are no blueprints and the experience is limited. Learning by trial and error and the blunders it involves are inevitable.

A transition to socialism must therefore generate an economic crisis. Investment falls sharply, prices increase, nominal wage gains become eroded, and eventually output falls, demand slackens, unemployment reappears as a major problem. What is not possible is thus the program articulated by Allende when he said that "the political model toward socialism that my government is applying requires that the socio-economic revolution take place simultaneously with an uninterrupted economic expansion." (De Vylder, 1976: 53) What is not possible is the realization of Blum's belief "that a better distribution . . . would revive production at the same time that it would satisfy justice." (Weill-Raynal, 1956: 54) What is not possible is a transition to socialism that begins with "une augmentation substantielle des salaires et traitement. . . ." (*Parti Socialiste Français, Parti Communiste Français,* 1972: I.1.1.)

Faced with an economic crisis, threatened with loss of electoral support, concerned about the possibility of a fascist counter-revolution, social democrats abandon the project of transition or at least pause to wait for more auspicious times. They find the courage to explain to the working class that it is better to be exploited than to create a situation which contains the risk of turning against them. They refuse to stake their fortunes on a worsening of the crisis. They offer the compromise; they maintain and defend it. The question which remains is whether there exists a way to escape the alternative defined for the Left of Olof Palme: "either to return to Stalin and Lenin, or take the road that joins the tradition of social democracy." (Brandt, Kreisky, Palme, 1976: 120)

Postscript: Social Democracy and Socialism

Three conclusions do not follow from the arguments developed in this book. These arguments do not lead to a rejection of social democracy. They do not assert that reforms are impossible. They do not imply that workers would never opt for socialism. And, since popular wisdom teaches that pessimism is but informed optimism, I do not even consider my views pessimistic, only informed.

This clarification seems necessary because such conclusions tend to be attributed to the analyses developed above by writers who are more sanguine than I am about the transformative potential of the European Left, particularly the Swedish Social Democracy. In fact, I think that social democrats have done about as well as they could have under historical circumstances not of their choosing and I am quite sympathetic to their unenviable predicaments. I only doubt that they would lead their societies to socialism. I am sure that reforms are possible, but that does not mean that reformism is a viable strategy of transition to socialism. I do not know under what conditions workers and other people would prefer socialism over capitalism, but I think I have demonstrated that they are unlikely to opt for socialism in an exclusive pursuit of their economic interests. And since I see the combination of capitalism with political democracy as a form of society that is highly conducive to the pursuit of immediate economic interests, I am skeptical about the possibilities of bringing about socialism by a deliberate action of trade-unions, political parties, or governments.

I do not see my views as implying a rejection of social democracy or, more broadly, reformist socialism because I do not see acceptable historical alternatives.[1] In retrospect, the crucial decision was to seek political power. When Marx criticized in 1864 all those who sought to build a socialist society autonomously and independently of the existing institutions, he claimed that their project was unfeasible without first conquering political power. This is why

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[1] It takes either an entrenched habit or ill will to interpret my views as an endorsement of Leninism, as does Siriani (1984). I suspect that the syllogism which leads to this conclusion must be that anyone who is a socialist critical of reformism ergo must be a revolutionary, that is, a Leninist. Personally, I feel free of the mental prison in which this alternative has been perpetuated. I see myself as a follower not of Vladimir Ilyich but of that other great Russian socialist thinker, Georgij Konstantinowich Pessim.

"the great duty" he defined for the working class was to struggle for power. Reformists, specifically Bernstein, eventually translated this task into competition for the control of the existing government institutions, while revolutionaries, notably Lenin, wanted to conquer power in order to destroy these institutions. But in either case the struggle for socialism became politicized; it became a struggle for political power. True, this power was to be used eventually as an instrument for realizing all the goals socialists sought but at the same time all goals which they sought became subordinated to one centralized thrust for political power. Whether at stake were working conditions at the local mill, a neighborhood school, a cultural center, wages, or the situation of women, everything became merged into one big struggle, "the class struggle," that required the conquest of political power. Wanting to improve conditions under which one worked, militating to win equality, forming a consumer cooperative, struggling to free sexuality, or organizing to plant flowers in a local park would be related to socialism by becoming all intertwined into an electoral campaign (or an insurrectionary conspiracy) designed to win control over the government. One could not struggle for socialism in one's personal life, every day; one would not be struggling for it when transforming relations within one's family, work group, or neighborhood. Socialist practice required a unique repository in political parties because they were the institutions that related everything to the "great duty of the working class."

Was the alternative possible? Could the movement for socialism remain independent of the existing political institutions? Could it have developed autonomously, in a decentralized, spontaneous, polymorphous manner? Was it feasible for the cooperatives, unions, and clubs of the 1860s and the 1880s to remain autonomous and to pursue their own goals? Ironically, the first movement in one hundred years which attempted such a "self-limitation" was born under the "communist" rule, in Poland. Yet Arato (1983) is right that the limited character of the goals creates a strategic dilemma. This is the same dilemma that socialists and anarchists faced in Western Europe. When confronted with a hostile and repressive state, no movement can stop short of reaching for political power – even if it has most limited objectives; just to protect itself. Socialists had no choice: they had to struggle for political power because any other movement for socialism would have been stamped out by force and they had to utilize the opportunities offered by participation to improve the immediate conditions of workers because otherwise they would not have gained support among them. They had to struggle for power and they were lucky enough to be able to do it under democratic conditions. Everything else was pretty much a consequence.

Once socialists had decided to struggle for political power and once they began to compete within the existing representative institutions, everything that followed was narrowly constrained. Most of the original fears about deleterious effects of participation did materialize: masses could not struggle for socialism but had to delegate this task to leaders–representatives, the movement became bureaucratized, tactics were reduced to electoralism, political discussions were limited to issues that could be resolved as a result of victory in the next elections, any project of society that would not help win elections was denounced as a utopia. Since socialists still could not win elections with majorities necessary to pursue the socialist program – the program with which they originally sought to conquer political power – they had to do what was possible. They became committed to employment, equality, and efficiency. They did do much: socialists strengthened political democracy, introduced a series of reforms in favor of workers, equalized the access to education, provided a minimum of material security for most people. It is moot whether some of the same reforms would not have been introduced by others and the general gist of evidence indicates that social democratic tenure in office does make a difference for efficiency and equality. Where they have been successful, social democrats institutionalized a relatively solid compromise between organizations of workers and of capitalists.

Social democrats brought about a number of reforms: a sufficient proof that reforms are possible. In fact, capitalism was being reformed even before first socialists came to office: there was Disraeli, Bismarck, Giolitti. The issue is not whether reforms are possible but reformism. Those who conclude that reforms are to be expected as the result of the governmental tenure of the Swedish Social Democrats (for example, Stephens, 1979; Esping-Anderson, 1984) or as an eventual consequence of implementing the Alternative Economic Strategy in Great Britain (for example, Hodgson, 1982) are most likely correct. But they claim to have demonstrated the possibility of reforms leading to socialism – and that is not the same.

Reforms would lead to socialism if and only if they were (1) irreversible, (2) cumulative in effects, (3) conducive to new reforms, and (4) directed towards socialism. As we have seen, reformist socialists since the 1890s thought that reforms would indeed satisfy all these conditions and thus gradually cumulate in socialism. So far at least they have not.

Reforms are reversible. The recent series of right-wing electoral victories resulted in denationalizations of industries, eliminations of welfare programs, reductions of protection from unemployment, restrictions of civil liberties and of the right to organize, and so forth. Moreover, as Martin (1975) has shown, in many cases it is sufficient that the government does nothing for previously introduced reforms to become undone.

Reforms do not necessarily cumulate even if they are not reversed. Reforms would cumulate if each new reform were a step to some state of the world we would recognize as socialism. But life constantly generates new problems that call for resolution, whether these problems result from past reforms or occur independently. Contamination of the environment, proliferation of dangerous products, bureaucratization of the state apparatus, erosion of the private sphere, complication of policy issues beyond the comprehension of most citizens, the growth of administrative control – all these phenomena have arisen since socialists entered the path of reforms. True, many old ills were overcome or at least mitigated, but quite a few new ones emerged. Indeed, lists of problems to be resolved are not any shorter in the socialist programs of today than they were at the turn of the century. The most striking impression one gets from looking at the way in which socialists see their mission today – an exchange of letters among Brandt, Kreisky, and Palme (1976) is most revealing – is that they think of themselves as standing ready to cope with whatever problems that are likely to appear, rather than to transform anything. And coping with problems is not reformism.

Not all reforms are conducive to new reforms. This is the thrust of the oldest doubts about the reformist strategy, particularly by Luxemburg. In several situations reforms which satisfy immediate demands of workers undermine future possibilities. "Insofar as trade unions can intervene in the technical department of production," Luxemburg noted, "they can only oppose technical innovation. . . . They act here in a reactionary direction." (1970a: 21) The issue which continues to occupy the center of controversies concerns the effect of reforms upon the working-class movements. Luxemburg was again the most articulate proponent of the view that reforms demobilize – a view for which I find much historical support. Yet several students of the Swedish Social Democracy, notably Korpi (1978, 1983), muster empirical evidence to support the argument that each new wave of reforms has had a mobilizing impact upon the Swedish working class. The success of the Swedish Social Democrats is often contrasted to the failure of the British Labour Party to achieve similar reforms and to maintain working-class mobilization (Higgins and Apple, 1983). All that can be said at this time is that there is enough evidence on both sides of the argument to call for a more systematic empirical investigation than the issue has received thus far.

What does seem clear is that compressing reforms into a single moment does not resolve but intensifies the difficulties. There are still some writers who believe that the enthusiasm of socialist transition will make everyone so productive that no economic crisis would ensue (Hodgson, 1982). Thus far, however, socialist governments which tried to combine nationalizations, redistribution of income, and acceleration of growth invariably discovered that stimulation of demand through redistribution of income does not work when it becomes a part of such a package. Eventually not only investment falls but even capacity utilization; wage gains become eroded; economic constraints become unbearable, and the reform program collapses.

Finally, even if reforms were irreversible, cumulative, and mobilizing, where do they lead? Do they lead to socialism? This is a more controversial issue, since we can no longer avoid saying something about the meaning of "socialism."

If socialism consists of full employment, equality, and efficiency, then the Swedish Social Democrats are reasonably close to the goal and not likely to go too far back from it. If they succeed in addition in socializing a large part of industry under popularly elected public boards of directors and in continuing to run the economy in a fairly efficient manner, many will consider that at least the Swedish ship would have completed the voyage described by Jaures, having floated unnoticeably but unmistakably into socialist waters.

Suppose then that the Swedish strategy does work: industries are socialized without an investment strike, public ownership continues to be supported by voters, workers are disciplined, and the economy enjoys an advantageous position in the international system. Profit is pursued efficiently, an almost full employment is maintained, inequality is reduced to a minimum. Everyone works, everyone works profitably, and everyone is equal. This is certainly an attractive vision.

But one could also describe this society differently. Here is a society in which blind pursuit of profit has become the exclusive principle of rationality, to the point that even the socially owned enterprises are guided by this principle. Wage slavery has become universalized to the point that everyone is subjected to toil. Alienation reigns: individuals are forced to sell their labor power and even the society as a whole cannot control the process of accumulation, which obeys criteria of private profitability. Families and schools are organized and regulated to prepare for production. Young people are forced into molds so that they would fit into places in this system. It would be trivial to go on.

This is not a caricature but a description in terms of the socialist project of one hundred years ago; in terms of that socialist movement that set itself to abolish the pursuit of profit, wage slavery, and the divisions they entail; that was to bring emancipation, liberation. Socialism was to be a society in which people individually would acquire control over their lives because their existence would no longer be an instrument of survival and people would collectively acquire control over shared resources and efforts because their allocation would be a subject of joined deliberation and rational choice. Socialism was not a movement for full employment but for the abolition of wage slavery; it was not a movement for efficiency but for collective rationality; it was not a movement for equality but for freedom.

Socialists gave up these goals when they discovered that they could not realize them in the foreseeable future. Economic conditions were not ripe and political support insufficient. Seeking to advance the immediate interests of their constituents, socialists thus opted for the pursuit of efficiency, employment, and equality – a second-best and the best that was possible.

The simultaneous pursuit of higher wages and full employment placed socialists in a dilemma. The response of profit-maximizing firms to wage pressure is to reduce employment and under capitalism people who are not fully employed are typically much worse off materially. Hence socialists have to struggle to increase employment and to protect those who are not employed, in either case inducing firms to employ more people than they would have otherwise. When socialists push for higher wages, they induce firms to utilize techniques of production which save labor and generate unemployment. When they force firms to employ or to bear the costs of unemployment, they induce firms to utilize techniques which are labor-intensive. Thus either people are unemployed and suffer material deprivation or they labor unnecessarily. Indeed, the struggle for full employment results in retarding the possibilities of liberation of labor.

Since the efforts to secure full employment are becoming increasingly quixotic, socialists are stumbling onto the program of reducing labor time and redistributing work. This program is not popular among fully employed sectors of the working class as well as among socialist politicians and managers who are concerned about efficiency and competitiveness. Yet this program does constitute a way out of the dilemma. Reduction of labor time without a corresponding reduction of wages forces firms to seek labor-saving techniques and thus to create possibilities of subsequent reductions of labor time. These possibilities are constrained by international competition which divides workers in different countries and which prevents governments from legislating reductions of working hours. These possibilities are also limited by the availability of techniques of production. Yet techniques of production are not given. They become available as the "existing" techniques among which firms choose because a society actively seeks the particular kinds of techniques. We all know how many people would have been working today in banks had computers not been invented and introduced. I.B.M. is right: "Machines should work, people should think."

Let us engage in some utopian fantasies. With Marx, imagine first a society where labor in which a human being does what a machine could do has ceased. All processes of production, maintenance, and distribution are performed by machines unassisted by direct labor. Machines are produced by machines according to instructions of meta-machines, which are programmed to produce a basket of goods while minimizing physical resources. Labor time necessary to produce these goods (including machines and meta-machines) is negligible. Some human activities ("indirect labor") eventually enter this production process but they need not occupy us at the moment.

Secondly, suppose that this process operates in such a way that the output (measured as a vector of physical quantities) can always be strictly larger than it was previously.

Thirdly, all individuals, regardless of their characteristics and contributions, obtain what they need.

These three features – automation, accumulation, and independence of want-satisfaction from labor – constitute the necessary conditions for the liberation of labor, a double liberation simultaneously from toil and from scarcity. A socialist society would be a society organized on two principles. First, production would be organized so as to generate the capacity for an almost instantaneous satisfaction of material wants of everyone while reducing direct labor to a historically feasible minimum. Secondly, besides a historically necessary minimum of mutual claims and guarantees no other institutions would exist. Scarcity, toil, and socially organized repression would be abolished. Free time is a necessary and sufficient condition for socialism because it constitutes freedom from want, labor, and socially induced constraint.

Without going into details, let us see what free time implies. First, note that several problems of capitalism become simply irrelevant. "Unemployment" is no longer the fate of free labor power. Conditions of work lose their importance as work under such conditions disappears. Equality ceases to be a meaningful term: it is an issue only in an unfree society. Freedom from scarcity and labor means that needs become qualitatively heterogeneous, and their satisfaction no longer reducible to a single dimension. Under socialism those people are rich who have rich needs (Heller, 1974). Even democracy is less problematic: democratic participation in the making of binding decisions loses its urgency when few decisions made by anyone are binding upon others. A democratic family is a family where all members are equal; a socialist family is one in which they are free. The problem is no longer one of extending democracy from the political to the social realm – the quintessence of social democracy under capitalism – but of reducing mutual constraint. Hence, of the needs and problems of capitalism little if anything remains. "Free time – which is both idle time and time for higher activity – has *naturally* transformed its possessor into a different subject." (Marx, 1973: 712)

Time free from labor is free. While certain ways of dividing activities may emerge as a result of freely formulated choices, this division is no longer an institution. Choices are not only freely made: they are freely formulated. When direct labor is not necessary, places-to-be-occupied in the division of labor no longer exist. We are no longer born, as Sartre put it, in the image of our dead grandfather (1960: 15). The choice is no longer "what will I become," where the "what" is prior and given as "a pilot," "a nurse," or "a garbage collector." The "what" itself becomes the object of individual making; it is continually reinvented by each individual for him- or herself.

These choices may result in specialization of activities, as some people push the frontiers of molecular biology while others push those of tennis. Some people may like to teach others while other people may be captivated by watching trees grow. This freedom obviously poses the question upon which Carr reflected in the seclusion of his Oxford study (1961: ch. 3): would labor (indirect, that is, scientific and direct to the extent to which it is still necessary) happen to be performed as a result of free choice? I do not know; we are too far away to speculate.

Free time, from labor and scarcity, also implies that the society, to coin a horror, becomes "defunctionalized." A particular manner of organizing one activity would no longer be necessary for reproducing other activities. Socialist society, to follow Sartre again, would be organized without being institutionalized. "The family" is no longer an institution: people organize cohabitation as and if they cohabit. Since functions of the family are no longer given when labor is no longer necessary, sex, nurture, and maintenance need not be associated according to any prior pattern (Mitchell, 1966). Sexual repression loses its social basis (Marcuse, 1962).

Needs no longer assume the form of "interests," that is, the limits of their satisfaction are no longer objectifications of human activity. Their dynamic is driven and restricted only by their internal structure. Objectification occurs if and only if it responds to a need for objectification: I paint or split genes because I like to see painting or the truth of hypotheses. No "end of history" occurs here, as is sometimes supposed in the argument that Marx was inconsistent when he posited simultaneously that needs are dynamic and that scarcity can be abolished. We must think dialectically: scarcity is abolished because the capacity to satisfy material needs asymptotically converges to their dynamic path.[2] Whether material needs would continue to grow under socialism I again do not know. As long as the satisfaction of needs is externally constrained, we cannot tell what human needs are.

Speaking of the Paris Commune, Marx emphasized that the working class has no ready-made ideals to realize, it has only to set itself free (in McLellan, 1977: 545). This statement should not be taken as an injunction against utopian fantasies and even less as one against utopian analyses. All it asserts is that we cannot tell today what a socialist society would be like precisely because we do not know what human beings would want and what they would do if they were free. Socialism is not yet another social order, it is the end of all social orders: this statement should be taken seriously. "Socialism" in singular is thus a contradiction in terms, for socialism means freedom and thus variety. It means freedom, not democracy, equality, creativity, or happiness. Socialism is not a new form of coercion to make everyone "creative."[3] A free individual may be uncreative; "realization of human potential" may show that it would have been better if this potential remained dormant. Freedom may turn into universal misery; it may bring forth the truly human sources of repression, if indeed the finite nature of life underlies the aggressive and repressive forces (Brown, 1959). We do not know. Socialism is not a millennium, not a guarantee of happiness. It is a society free of alienation – if this term can still be restored to its meaning rather than be used as a generalized lament – a society in which objective conditions have been abolished, in which people are at every moment free, in which nothing is prior and given, in which life is not an instrument of survival, and things not instruments of power, in which all values are autonomous, in which the relation between a person and oneself is not mediated by things. Abolition of capitalism is a necessity not because such are the laws of history or because socialism is superior to it in any way, neither for reasons of Newton or Kant, but only because capitalism prevents us from becoming whatever we might become when we are free.

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[2] Differential calculus is only an application of the dialectical method to mathematics – at least this is what Engels said somewhere in *The Anti-Duhring*.

Having arrived at an unknown destination we must, unfortunately, return to the very first step. We have seen that capitalism develops the conditions for liberation but it cannot free. We have seen that freedom is necessary and sufficient for socialism. But does capitalism generate the need for freedom, a need that could underlie a political transition toward socialism?

This is not a question to be resolved theoretically. The only way to know is by practice, a political practice in the broadest, Greek, sense of the word "political." Unity of theory and practice does not have a unique repository in political parties. The need for freedom is integral. Socialist democracy is not something to be found in parliaments, factories, or families: it is not simply a democratization of capitalist institutions. Freedom means de-institutionalization; it means individual autonomy. Socialism may perhaps become possible, but only on the condition that the movement for socialism regains the integral scope that characterized several of its currents outside the dogmas of the Internationals, only on the condition that this movement ceases to make the socialist project conditional upon the continual improvement of material conditions of the working class. It may become possible when socialism once again becomes a social movement and not solely an economic one, when it learns from the women's movement, when it reassimilates cultural issues.

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[3] See Marcuse's splendid polemic against Fromm in the epilogue to *Eros and Civilization* (1962: 216–51).

The time is not near. There is every reason to expect that capitalism will continue to offer an opportunity to improve material conditions and that it will be defended by force where and when it does not, while conditions for socialism continue to rot. This is why dreams of a utopia cannot be a substitute for the struggle to make capitalism more efficient and more humane. Poverty and oppression are here, and they will not be alleviated by the possibility of a better future. The struggle for improving capitalism is as essential as ever before. But we should not confuse this struggle with the quest for socialism.