

THE SWEEZY-BETTELHEIM DEBATE RETURNS

Of Socialism and Social Capitalism

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For quite a time, capitalism seemed to reign supreme on a world scale, and despite the many criminal activities, e.g. the invasion of Iraq, the advanced capitalist states were recently engaged in, it appeared that world capitalism would continue to last for ever, and that it was of little use to think and talk about socialism and its problems. One can here ignore the opinions of those who stick to the belief that the USA is the model of democracy and economic progress. Those humanists who were pained at the happenings all over the world that reflected on the evil face of capitalism talked and sometimes worked for making the system more humane, but the system followed its own logic in an inexorable fashion, although spontaneous as well as organized acts of resistance put its operation somewhat in check.

The recent world recession, which is far from over, has however created its obverse, a process of destruction cum construction, in the world of thinking. The world-famous publishing concern-the Penguins-known for its age old tradition of publishing books at cheap prices, has published paperback editions of Marx's *Capital*, and these editions are going to be sold all over the English-reading world in thousands or even millions. This shows that the intellectual world of the intelligentsia as well as the literate section of toilers has again turned to Marxism, the bid of which is to understand capitalism properly and to strive for a better and more humane world. There is another side to the story, however. Right now there is no acceptable model of socialism, and there is a consensus that the Soviet and Chinese examples have yielded a lot of negative lessons too. Even if one considers the model that Mao Ze-dong and his acolytes tried to follow was the best, one must reckon with the fact that the model was finally defeated in China. The way the end of the Soviet Union was declared by the leaders of the Communist Party leaves no doubt that the ideological representatives of the bourgeoisie came to occupy key positions in the Party. There would not possibly be much disagreement that what has long come to dominate in China was a sort of capitalism under the mask of 'market socialism', and the internal contradictions of it have now come out in the open. The dazzles of a growing Chinese economy that is now seemingly ready to challenge the economic might of America have stupefied many; but it is not possible to hide the fact that in China, economic inequality has grown phenomenally over the last two decades and moreover, the recession has shaken the economy badly, leading to substantial growth of unemployment. Now Lord Keynes is back with a vengeance.

So, what is needed is an independent line of thinking and practice. Thoughts about the problems of socialism from a serious socialist angle have however a long history and the present day students of the subject must acquire a familiarity with this history. It is in this very context that the debate on the *Transition to Socialism* conducted by the famous American journal *Monthly Review* and later published in book form in 1971, has not lost its significance. So it is heartening to see an Indian edition of the *book brought out by a well-known Delhi publisher at a price that is modest even by Indian standards.

The first part of the book consists of a debate between two illustrious socialist intellectuals Paul Sweezy and Charles Bettelheim. This part starts with an article by Paul Sweezy (*Czechoslovakia, Capitalism and Socialism*), aiming at an appraisal as well as an analysis of the Soviet invasion of Czechoslovakia. This invasion took place in the autumn of 1968 and Sweezy rejected the Soviet view that a counter-revolutionary situation was developing in Czechoslovakia, necessitating a Soviet intervention. Sweezy agreed that the Czechoslovak economy was moving toward capitalism, but vehemently denied that this was the reason for Soviet intervention. He wrote in his article, "Marxism teaches us not to judge people by their intentions but by their acts and the possible consequences of their acts. The contention is

that whoever acts to strengthen the market instead of struggling against the market is, regardless of intentions, promoting capitalism and not socialism.

Does it follow that because Czechoslovakia was moving toward capitalism, this was the reason for the Soviet intervention? Absolutely not. The truth is that the whole Eastern European bloc, including the Soviet Union, has been and is moving in the same direction as Yugoslavia and Czechoslovakia. This is the real meaning of the economic reform movement which, in varying degrees and at varying speeds, has involved every member of the bloc." (pp 8-9) Sweezy then argued, "What the leaders of the Soviet Union feared-and had every reason to fear-were two threats, one to their personal interests and the other to the interests of the national ruling stratum which they represent". (p-10) In this article Sweezy emphasized that capitalism does not necessarily imply individual ownership and warned against confusing juridical categories with real relation of production.

In his comment (*On the Transition between Capitalism and Socialism*) on Sweezy's article, Charles Bettelheim disputed what he thought an one-sided emphasis on the market-plan contradiction and instead emphasized that what should be considered as the decisive factor is not economic, but political, and that this decisive political factor 'results from the fact that the proletariat (Soviet or Czech) has *lost its power to a new bourgeoisie*. Bettelheim cautioned against over-stressing the market-plan contradiction and argued: "What characterizes socialism as opposed to capitalism is not the existence and non-existence of market relationships, money and prices, but the existence of the domination of the proletariat, of the dictatorship of the proletariat. It is through the exercise of the dictatorship in all areas-economic, political and ideological- that market relations can be progressively eliminated by means of *concrete measures adapted to concrete situations and conjunctures*. This elimination cannot be "decreed" or "proclaimed". It requires "political strategy and political tactics." He further argues, "The trend of the evolution at the level of forms (the development or retreat of market forms) is an index of the evolution of social relationships, but it is no more than an *index*." In his reply, Paul Sweezy clarifies some of his arguments, which seem to suggest a narrowing down of the differences, yet some differences remain. These differences concern whether the development and consolidation of a bureaucratic ruling stratum constitute the assumption of power by a bourgeoisie.

In his next commentary, Charles Bettelheim took up the subject of the market plan contradiction and expressed the opinion that it was a "surface effect". His explanation is characteristic and profound, and hence worth quoting, 'I would say that the market/plan contradiction indicates, in a metaphorical way', a contradiction between two "areas of representation", two "stages".

"Actors"—buyers, sellers, central planners, directors of enterprises, administrators, etc —intervene, on the descriptive level, on these two "stages". These actors appear there not as *bearers of social relations and agents fulfilling functions* (determined by the existing social relations and fundamentally by the dominant production relations), but as subjects equipped with autonomy : with, a "psychology" etc. Bettelheim, in the later paragraphs, clarifies this position in a sharp fashion.

In his next correspondence, Sweezy raised important questions. These questions are: What should be the criterion for judging whether the proletariat is in power other than the policies pursued by the government and the party? Shouldn't there be an independent method of establishing the identity of the class in power? What are the modalities and stages in the growth of the new state bourgeoisie? Under what conditions can one expect a victory of the proletariat, and under what conditions a victory of the new state bourgeoisie? In his elaboration, Bettelheim focused on the nature of the *class interests* served by the new state power and the concrete relations between the organs of state power and the laboring masses. Bettelheim further argued that 'It would be dogmatic and formalistic to try to advance an abstract criterion of the proletarian character of the state without taking into account concrete historical conditions, and particularly the nature of the relations between the state and the ruling party, the characteristics of this party and *the direction in which this party's activities tend*. This is why there is surely

no "single model" of non-separation, ie, of unity between the state apparatus and the masses, but only *concrete forms* corresponding to the historical conditions of *class struggle*'.

As historic civil and military forms, Bettelheim cites the examples of the Paris Commune, the 1917 Soviets in Russia and various forms of people's power in China. But his reference to the Chinese PLA seems a bit misplaced because the Chinese PLA, which grew up during the revolutionary people's war as an army integrated with the masses, following the principles laid down by Mao Ze-dong, gradually assumed the character of a standing army. Even during the cultural revolution, its standing character was not demolished, and Mao was not unambiguous on this point. Post-Mao developments have clearly brought home the fact that the PLA was largely separated from the masses; and hence it served the new rulers who were bent on restoring capitalism and promoting inequality. The important question is why the Cultural Revolution was defeated. It may be that the scope of class struggle was extended too much and the notion of a quick victory got the upper hand, which enabled the dormant bourgeois elements to capture political power.

The second part of the book contains four articles written during 1967-1971. The first, written in November 1967, is a discussion on the course of development of the Soviet society and economy since the Revolution. A careful and discerning reader should understand that this article is an antidote to the notion that the break up of the Soviet Union was not defeat of *socialism*, but a defeat of *social capitalism*. Towards the end of the article, it has been concluded correctly and significantly, "Suffice it to say that our own view is that Stalin was certainly right to make preparations to repel external aggression the number one priority, but that a different choice of means could have produced better results in the short run and much better results in the long run. More equality and fewer privileges to the bureaucracy, more trust and confidence in the masses, greater inner party democracy—these, we believe, could have been the guiding principles of a course which would have ensured the survival of the Soviet Union and pointed it toward, rather than away from, the luminous vision of a communist future". Recent discussions, however, have raised some more questions, namely the question of universal suffrage, multi-party democracy and the replacement of the standing army by armed people.

The article *Transition to Socialism* discusses, in an illuminating manner, the relation between socialist construction and transformation of human nature. The author quotes Mao more than once to highlight this point and concludes the article with the sentence, "What is Mao telling us but that even after the overthrow of class domination the positive task of transforming human nature never ceases?"

All the debates and articles, one must agree, are conducted and written in a positive manner. They are not academic discourses, but products of application of truth-seeking minds, not careerists. And the issues remain relevant, this relevance having doubly increased after the ugly and tottering spectacle of world capitalism unfolding before the people across the globe.

***On the Transition To Socialism**

By Paul Sweezy & Charles Bettelheim,

Aakar Books, New Delhi-110091, Pages 135, Price 150