

Gáspár Miklós Tamás: A Capitalism Pure and Simple

The symbolic and historic importance of Eastern Europe for the left is beyond dispute. It was, after all, in Eastern Europe where the socialist experiment has been allegedly attempted. The fall of the East Bloc régimes in 1989 has meant for most people that there is nothing over the horizon of global capitalism. Although it is by no means certain that what failed was socialism, institutions, organizations, currents of the Western left collapsed, as if what they represented would have been identical with the dismal heap of ruins which was the empire of Stalin's *diadochoi*. However inglorious, drab, scary and tedious that empire was, today's inmates believe that it was far superior in all respects to the new dispensation. Socialists appear to be disavowed by the general belief that capitalism is all there is, and democrats seem to be told that, compared to this new liberal democracy, dictatorship was a picnic.

Unlike the absolute majority of 'East Europeans' from Vladivostok to Prague, from the Aral Sea to East Berlin and unlike disgruntled Western communists I cannot and do not mourn the unheroic passing of the post-Stalinist tragicomedy, although the former have a few interesting reasons for their view; and unlike most liberals, I do not think that it was socialism that collapsed, and that the *novus ordo seclorum* is either inevitable or successful. Or, for that matter, especially *novus*. But I can understand, naturally, that these opinions entail various stakes and strategies of legitimacy like they always did, and this should be legitimation through history and theory of history. In order to explain why Eastern Europe is a particularly interesting and exceedingly nasty version of late capitalist society, we must get rid of the idea that this has anything to do with 'totalitarian' mental habits or 'backward' customs rooted in authoritarianism and servility, notions of cold war 'naturalization' of a surprisingly modern, but neither liberal, nor pro-Western adversary's ideological self-image.

The main question is, of course, the vexed one concerning the true nature of the system inaugurated in 1917 which passed away ingloriously in 1989. Miles of library shelves have been dedicated to the solution of this problem, the source of so much heartbreak and suffering and a central element in the self-understanding of the main radical movements in the twentieth century. For if the régime *was* socialist, *then* reformist social democracy was treason and the anti-Leninist ultra-left was sheer madness, and *if* the régime *was not* socialist, then the heroic sacrifice of all, especially Western communist militants was in vain. *If* the régime *was* truly socialist *and* the Gulag, the genocide and the show trials all took place within a truly socialist régime, *then* the socialist ideal is indeed criminal, but *if it wasn't* truly socialist, then the Gulag does not refute the moral and political solution viability of the socialist ideal. *If* Soviet-type régimes were no better, indeed, on the whole worse than the common run of capitalist ones, *then* the blame ought to be apportioned according to what we think about its main characteristic. The answer to these old questions should be both historical and philosophical.

There can be no doubt about the persistence of classic capitalist features in the Soviet bloc régimes: wage labour, the commodity economy, division of labour, imposition of work, subsumption to capital, money, rent, Roman law concerning property, hierarchy on the shop-floor, sharp distinction between manual and 'intellectual' labour, horrendous inequality, repression of proletarian resistance, the suppression of working-class autonomy, repressive patriarchal family, unpaid female house-work, political and ideological oppression, rampant statist nationalism, ethnic and racial discrimination, censorship against emancipatory art and social science and, of course, savage exploitation. Against this dismal list the doubting believers, most famously Trotsky, could oppose only one single fact: the abolition of private property. Socialization and planning were cited as proofs that, in spite of everything, should have convinced us that even under the Stalinian 'Thermidor' in the Soviet Union, the Chinese People's Republic and their satellites capitalism was not and could not be restored. Awful, but somehow socialist. The proletariat was supposed to have been somehow 'the owner' of all major economic assets although it could not dispose of it and did not and could not control and manage it, although it had no say in how production was run and what the aims of economic

development should be. All the same, it is quite incontrovertible that there were no private capitalists in the East Bloc régimes and no 'real' market. This is interesting because it forces us to ask: is it a fact that capitalism is chiefly characterised by the prevalence of markets and the presence of *private* owners of the means of production? Is this even an orthodox Marxist view? I for one doubt it very much. Let us briefly examine the meaning of the word 'private' which at least since Rousseau denotes the essence of bourgeois society.

'Private' means particularly a privileged, separated, protected area over which one exercises control and which excludes other contenders for such control. This 'one' might be a physical or juridical person, for example an institution like the Crown or a monastic or chivalric order. Are Crown lands not *private* property in this sense? Had not been the vast Church estates in Eastern Europe before 1945 exclusive of rival would-be owners? In what sense is 'the state', metaphysically perhaps, a non-exclusive, non-controlling, non-usufructuary owner? Crown property, too, was used for the common good of the polity, e. g., for putting together, arm and pay mercenary troops, but did this particular use to which it was put made it into non-property? Could the King's subjects use it for their own advantage as they saw fit? Would be the fact that it was juridical rather than physical persons 'who' owned property to the exclusion of people who did *not* own any means of production, negate the fact of property. It seems that the essence of ownership in class societies such as capitalism *and* Soviet-style régimes is *the separatedness* of property from those handling but not owning the means of production in exchange for a salary, and not necessarily the political and juridical character of the owners. Apologists for these Soviet-type régimes said and perhaps believed that the alleged political power of the proletariat changed the character of this mysterious entity, 'the state' into not simply the political and administrative representation of this new ruling class but into a new kind of owner which did not appropriate surplus value for a 'non-proletarian' or 'non-socialist' purpose which of course meant in practice that most of it was re-invested like always. Now the proletariat naturally did not possess and did not exercise any kind of political power as the Workers' Opposition has pointed out in Russia already in 1919, but it appears rather obvious that the political direction and the ideology of the government does not change in any conceivable way the exclusion of the propertyless workers from the enjoyment, management or, God forbid, the sale of 'their' mystical property. Now it is perfectly true that the functions of the owner were exercised by civil servants or *apparatchiki* according to instructions from on high and they did not *own* the economic assets of society and they could not directly use them for their own benefit, nor could they dispose of it at will, in other words, it was not the 'apparat' or the 'nomenklatura' that was, as it were, *the collective owner* of the means of production. But this is not at all a precondition for an ownership which is *separate* from the propertyless in the original, historical sense of the word and concept 'private'. It is by no means necessary that the individual members of the 'nomenklatura' should partake of the plus-value created by the proletariat like stockholders or shareholders in a joint-stock company, their right of disposal and control, albeit limited, but belonging to no social rivals or competitors, is sufficient for them to be designated a ruling class, especially as social redistribution was tilted in their favour and they enjoyed considerable material privileges but which were, as it is well known, not particularly secure. What is specific here is the synthesis of government functions and the belonging to the ruling class. This has historical antecedents in Eastern Europe and in Asia and a great deal was made of this by imaginative people like Karl Wittfogel, but I do not believe that it is particularly significant since this state of affairs was newly created by the Bolshevik revolution conspicuously unmindful of historical precedent.

In other words, then, the so-called 'socialist state property' is conceptually not different from 'capitalist private property' as far as the workers are concerned (and this is the important aspect) albeit it means a different method of social organization and social domination, and it is this what might explain the puzzle of the absent market.

If the market is an anonymous mechanism designed to match supply to demand and to allocate the resources accordingly, then 'socialist' planning is a non-anonymous, deliberate and hierarchical ('top-down')

mechanism devised to do the same, by general consent, less efficiently. The contrast between these two mechanisms is much mitigated, on the one hand, by what János Kornai has called market-simulating ‘plan bargaining’ in East Bloc economies and, on the other hand, by what appears to be the massive government interference and setting of economic goals by political and ideological forces in the creation of early capitalism. One cannot seriously say that the British and Dutch East India Companies and their cognates have been pure ‘market’ institutions. Physical coercion by military and paramilitary forces shaped market capitalism as much as the stock exchange. Reinvestment and redistribution in scarcity economies have always been implemented by state or government *fiat* even in societies qualified officially as bourgeois such as wartime Germany and 1940s-1950s Britain. Let us not forget that the neo-conservative model of market economy also was the result of political action driven by ideology and that it was no different with Corn Laws and free trade in the nineteenth century. The difference seems to be that in bourgeois societies political action by the ruling class is customarily checked by elections and ‘free’ party struggles, while in one-party ‘socialist’ dictatorships such checks are not available. They are indeed unavailable, but this does not mean that the ruling class in these dictatorships did not and does not engage in internecine squabbles and that it would be unable to change course: compare the policies of the so-called Chinese Communist Party under Mao to those of the present leadership, a change which occurred without the slightest change in the political ‘suprastructure’, without the slightest ‘pluralization’ or ‘liberalization’ of the régime. In other words, ‘totalitarian’ governance by Stalin’s true heirs is perfectly reconcilable with the most savage version of free-market capitalism.

So if someone would like to attempt to find the crucial difference between the ways of government guiding of the modern economy in the difference between ‘socialist’ and capitalist planning influenced by the difference between competing models of political authority (liberal or tyrannical, say) she may be on the wrong track. There are overlapping models here as well as enormous dissimilarities. The question is not whether ‘market socialism’ is feasible or desirable or did it ever happen, but rather that how should we describe *non-market capitalism* which appears to have been the case in the Soviet-style East Bloc régimes in Europe and Asia.

This description should begin in the time-honoured fashion with the analysis of the October revolution and its various emulations after the second world war in parts of Eastern Europe, South East Asia and elsewhere. Let us start with the abstract formulation that the alleged ‘socialist’ revolutions *did not change class societies into classless societies, but caste societies into class societies.*

Unbeknownst to themselves, the Bolsheviks – as it was almost immediately recognized by such disparate figures as Hermann Gorter, Antonio Gramsci (in his celebrated article on the ‘revolution against *Capital*’: the book) and, later, Karl Korsch – half-agreed with the hated ‘legal Marxists’ and Kautskyans in making a bourgeois revolution with proletarian revolutionaries. Old Eastern Europe under the four empires (Hohenzollern, Habsburg, Romanov and Ottoman) in spite of all the half-hearted or simply bogus reforms after 1848 remained, with the exception of the Western fringe and a few other pockets of modernity, an agrarian caste society where the overwhelming majority of the population lived in personal servitude, humility, deference, illiteracy, *corvée* and scurvy., not to speak of an ecclesiastical reign and brutal terror by the gendarmerie and feudal flunkies. The propertyless peasants, not any longer called serfs but half-slaves in all but name, apart from the occasional blind *jacquerie* or pogrom (more often than not incited by the Court in order to frighten the gentry and the restive burghers and proles in the feeble towns) were not able to do anything to improve their living conditions. Socialist revolutionaries had to address the problem of ‘backward’ caste society first where most of the ‘bourgeoisie’ were mediaeval-type petty merchants, mostly quite poor and ignorant, and the ‘proletariat’ were mostly journeymen artisans, living in the interstices of a still largely feudal society where, apart from the landowning aristocracy and the *Soldateska*, the military caste, political disenfranchisement was pretty general. In the relatively wealthy and modern Hungary, less than seven percent of the population had the vote, and electoral fraud, ballot-stuffing and police intimidation

had been a matter of course even in those extra safe circumstances. Opposition MPs were thrown out from the Chamber by armed police upon an order by the Speaker – and this was the Austro-Hungarian *belle époque*, not the darkest Siberia.

Socialists of various tendencies in the East wished to use the new revolutionary state to effect modernization, a task incumbent upon a bourgeois revolution, at least this was the task ascribed to such revolutions by the prevalent progressive doctrine of the time. In the absence of an autochthonous, home-grown bourgeoisie this decisive step away from agrarian caste society was to be taken by a strategic alliance between the proletariat and the intelligentsia. But these social groups themselves were rather peculiar in Eastern Europe, possessing a pre-modern, caste character also. The industrial proletariat in the East was mostly immigrant, alien workforce. In Bohemia and Hungary even, labour union members did not speak Czech or Hungarian, but German (in the first socialist trial in Hungary in 1871 the royal tribunal had to use interpreters to take the depositions of the defendants neither of them – leaders of the Hungarian workers' movement – being able to understand Magyar), not to speak of the well-known Swiss (and Gentile) radical, Rudolf Rocker, who was forced to learn Yiddish when he wanted to address working-class anarchists in the East End of London (today he should learn Bengali). To be a proletarian socialist in Eastern Europe meant to be separated ethnically (in a mostly German-speaking cosmopolitan or 'internationalist' community) and denominationally or confessionally (in a community of non-believers or non-practising, lapsed Christians or agnostics) very remote from the rest of the people. The revolutionary intelligentsia – however unfashionable it is to mention this – was mostly Jewish. So it is hardly surprising that, according to a survey by the respected Russian historian Aleksandr Ushakov, out of 12 members of the Bolshevik central committee, 9 were Jewish, all the 11 members of the Menshevik central committee were Jewish, out of 15 members of the right-wing Social Revolutionaries (SR) 13 were Jewish, of the 12 members of the left SR 10, the Moscow committee of the anarchists had 5 members, 4 being Jewish. If by no means so extreme, the same was true in the labour movements in the Austro-Hungarian Monarchy, the Balkans and the Arab Middle East then nominally still ruled by the Sublime Porte.

Max Weber has spoken of 'pariah capitalism' (elaborated by the Belgian revolutionary Marxist, Abram Léon during the second world war) and this was up to a point 'pariah socialism', the bold project of the isolated urban proletariat and the impoverished, uprooted intellectuals whose largely imaginary world was rounded off by the myth of the advanced West of which more later. Many memoirs on the Eastern left report that the parliamentary socialists in the distant *Reichstag* in Berlin or in Vienna had been the object of an adulation quite unsuspected in those imperial capitals: Bebel, Liebknecht, Adler, Renner, Bauer were regarded as latter-day saints, people who have got the respect and dignity denied to their less fortunate Oriental brethren, rather like the Rastafarians in the Caribbean admired Haile Selassie, a black man who was emperor and the Lion of Judah. Proletarians and *déclassé* intellectuals in the East, surrounded by a sea of incomprehensible archaic peasantry (and don't forget, while the city spoke Polish, the countryside spoke Ukrainian, another city spoke Hungarian, but the village sang in Rumanian, the civil servants corresponded in French and German, but their subjects stammered in some Slavonic *patois*, and even the official and highly artificial *Hochdeutsch* was not understood by many, not even by most ethnic Germans), the 'red' cities and districts (Presnya, Floridsdorf, Csepel, Grivitz) were strangers in more ways than one. When in the courses of adult education run by the social democrats in Vienna, Pest, Cracow, Czernowitz people talked about the same topics as people in the Fabian Society or at the Cooper Union, the upper classes did not read anything or if at all, the Mme de Sévigné, and the poor, illiterate and pious peasants believed in witches, charms and – until after 1945 – could not read a clockface and might not have heard yet that the earth was round. Documentary writers in the 1930s tell us that most peasants do not use the coin of the realm in years and they do not really believe that Franz Joseph is not any longer on the throne and they themselves are now the citizens of some new-fangled 'successor state'. Trade union seminars were on a higher level than the Royal Academies of Science. Radical magazines discussed Nietzsche and Baudelaire in St Petersburg and Pest earlier than in London. Mr Pulitzer exported the mass-readership popular press from Hungary to New

York and not vice versa. At the same time, feudal caste society was more alive and more terrible than in early eighteenth-century France. But at least the *philosophes* of the French Enlightenment were *French* – who would have dreamed of calling Voltaire or Diderot un*French*? However, East European socialists from Lenin and Martov to Otto Bauer and Lukács to Luxemburg and Eisner to Dobrogeanu-Gherea and Marchlewski-Karski had been citizens only of a future republic and regarded as such. The great Russian radical writer, Korolenko, declared that his country was not Russia but the Russian *literature*. I cannot say that I have never experienced such a feeling.

No French dissident of the eighteenth century was ever a *franchouillard* chauvinist. But ‘internationalist’ does not mean someone deracinated and a non-citizen without loyalty. Internationalism is a view, not a condition. But East European radicals had been and, partly, are really rootless: by choice and by destiny. Of course, they were no citizens of the world, but inhabitants of the modernist islets within that ocean of silent and terrifying peasantry. However malign, the name Hungarian ‘national conservatives’ are calling people like me – ‘*foreign-hearted*’ – I find rather delicious. It is unfair, I am too Hungarian for my own good, nevertheless it describes Eastern radicals very well, not because they were or, for that matter, are *le parti de l'étranger*, the party of ‘Abroad’, but their utopia was and remained the West, the world of ‘contract’ as opposed to their own local world of ‘status’. Class society was a certain advance compared to caste society, inequality preferable to hierarchical coercion and systemic humiliation. The goal and the slogan of a classless society opposed to a powerless and scared bourgeoisie – with the conspicuous exception of the equally ‘foreign-hearted’ *haute finance* à la Rothschild allied to the Court, the catholic church and the bluest-blooded aristocracy – was a wee bit bogus, since the nominal enemy was feeble and the real adversary, the feudal nobility and the military caste had been in principle the adversary of the bourgeois West, too. George Eliot, Samuel Butler and Anatole France (and behind them, Feuerbach, Nietzsche and Herbert Spencer) appeared to be brothers-(and-sisters)-in-arms because of their hostility to Christianity, the official (and most intimately, *innigst* disbelieved) doctrine of peers and magnates.

But the goal of smashing the aristocratic order and of rural misery was authentic, and the political passion fierce. But why was Marxism, a complicated theory aimed at the natural antagonist of the Western workers’ movement the ideology of an anti-feudal egalitarian revolution in the East? For I do not agree with Alain Besançon that we should disregard the Marxian legacy in Russia and replace it as the main source of Leninism with the Narodnaya Volya people, Bielinsky and Pisarev. Marxism was accepted here as the core theory of modernity fulfilling the same historical function as early liberalism in the nineteenth-century Western Europe. In the absence of an ancient, respected, well-entrenched, home-grown bourgeoisie and the achievement of primitive accumulation, industrial base and a network of markets founded on money and credit, the creation of capitalist modernity had to be the task of those who wanted to create a large proletariat because they were convinced that only the modern working class was able to realize abundance through advanced technology and, through abundance, a just society which was to be not only egalitarian, but devoid of exploitation and domination. In order to do this, it was necessary to tear the unfree lower caste of serfs and indentured peasants from their quasi-natural (ideologically naturalised) dependence on land and personal-tribal ties to the paternal authority of the nobility modeled on the timeless formula of the anointed, holy King, where deference and submission were not seen as oppression but the moral pinnacle of the human condition as outlined by the late Gogol and doctrinaires like Pobedonostsev (drawing on de Maistre and de Bonald). The ‘legal Marxists’ like Struve and Tugan-Baranovsky were explicit partisans of liberal capitalism. This trend is plainly visible even today in the policies of communist parties in China, West Bengal or South Africa (even in Iraq, Syria and the Maghreb): Marxist-Leninists are inveterate modernisers in all backward countries, just like their anti-Leninist hostile twins, the social democrats, had been in the advanced and affluent countries of the West.

‘Socialism’, then, for Bolsheviks was a series of radical measures aimed at the destruction of ‘natural’ ties. This was a development feared by the likes of Rousseau and Tolstoy who, at the same time, loathed the

servitude, cruelty and moral turpitude of agrarian caste society dominated by ‘the landed interest’. Lenin and Trotsky had no such fears. They wanted an industrial capitalism without its drawbacks, inequality, rampant individualism and the false consciousness of imagined liberty. They did not want to reconstruct a natural (i.e., agrarian or pastoral) community without noble landowners because they did not believe that freedom and justice in scarcity were possible or even desirable. They wanted a peculiar capitalism in which the role of the bourgeoisie had to be played by the proletarian vanguard, but only politically. The ownership was transformed – and this was really revolutionary and in keeping with age-old radical ideas vaguely formulated during the Putney disputations and among the lunatic fringe of the French revolution – into an abstract entity which referred to another abstract entity, the totality of society, thereby divorcing the functions of control, management, disposal, employment, credit, investment and alienation (that is, *Entäusserung*, estrangement or, simply, sale) of assets from the subjectless, abstract ‘collective ownership. This was pure ideology, but an ideology central to the régime and its survival. This is why New Class theories were punished with heavy prison sentences and worse. But, naturally, ownership *cannot be* divorced from control and management, and the pretence that the toiling masses or the working class somehow ‘owned’ was always greeted by guffaws even amid the most fanatical hardliners. (A famous joke of the 1950s defined cognac as the drink of the proletariat to be consumed through its elected representatives.) Nevertheless, the ideological cleavage between ownership and control was successful in redefining the profit motive, by separating it from acquisitiveness: Stakhanovists (members of a working-class élite distinguished by producing more, by ‘overachieving’ the Plan) aimed at more consumption, not at the acquisition of capital goods.

If indeed the proletariat would have been the ‘collective owner’ then work must have been a title to acquire property. But this is exactly what is impossible in capitalism. The surplus value produced by the worker does *not* become her property: even if she is able sometimes to buy shares from her salary, this she can do only as a private person outside the factory gates: for it is her money, not her labour which entitles her to buy shares or stocks. The same applies to so-called ‘socialist’, that is, state capitalist régimes: the surplus value produced by the worker cannot be transformed into her property. Equality can be and to a certain extent was increased, but more equality does not mean co-ownership. The surplus value is appropriated, re-invested or consumed by the elusive entity, the state. This is still *private* property as defined above, since it is *separated* from the worker, but it is not *individual* property. Clearly great corporations in market capitalism are not individually owned, either, but they are not formally subordinated to central government authority which had the right in Soviet-style state capitalist systems to fix targets, allocate resources and include the firm or the company in an overall order the goals of which may be overtly extra-economical like increasing social justice, reward a remote district or change the social and ethnic composition of a region – things by no means unheard of in ‘normal’ market capitalism, but less systematic and consequent. Separatedness of ownership is a common characteristic of ‘market’ and ‘state capitalism’ (dubbed ‘socialism’) but the prevalence or paramountcy of markets do differentiate these two modern systems of private property and exploitation. Markets in liberal societies are helped and regulated by commercial law, government watchdogs and public scrutiny, all this of course slanted in favour of capital, nevertheless pressure from competitors, from the bureaucracy and from trade unions manages sometimes to counterbalance this bias. ‘Plan bargaining’ (a notion introduced by János Kornai) is trickier. In Stalinist and post-Stalinist versions of state capitalism (there are others) competition between nominally state-owned companies, economic ministries (‘socialist’ governments had Foundry Departments, Fisheries Departments, Departments of Textiles and so on) and territorial groups (centred on the regional ‘Party’ committees), army and security services branches (the latter controlled enterprises, too) was hidden, informal, without a paper trail. These groups had to negotiate with one another and the ultimate arbiter, the central committee *apparatus* (since it was not the elected body itself that held the reins of real power) to partake of the re-investment instruments: their share (like in today’s corporate capitalism) depended as much on their political clout as on their profits (‘fulfillment of the plan’). Lowering of production targets, permission to branch out, hire help and raise wages had been negotiated by tenacious lobbying, bribery and political denunciation. The heavy industry lobby, the savings bank lobby, the secret service lobby had their tame journalists in the censored party press:

we always knew who would, given the opportunity, voice concern regarding internal subversion and foreign interference – this was often a ploy to modify the budget, in a way just like today.

‘Plan bargaining’ and controlled rivalry between government/ economic branches did not lead to instability and openly contested power struggles (except during crises) because proletarian resistance was efficiently checked. Strikes, sabotage, slowdown, absenteeism and the like were criminal offenses, but the ideological supremacy of the ‘collective ownership’ myth was more important. Resistance must have reasons beyond raw self-interest or sheer discomfort. Reasons were not forthcoming because in spite of a strong but inarticulate disbelief in the ownership myth, the fact of property was elusive.

People were looking for evidence proving that social differences were akin to the previously known model of hierarchy. But since that was a caste society (entrenched legal privileges by birthright and inheritance) they were looking in vain since under the nominal ‘dictatorship of the proletariat’ they were faced with a modern class society with considerable social mobility and an anti-élitist, plebeian culture. Societies when disappointed in actual change, almost always engage in the rhetorical stratagem which affirms that nothing has changed. (Witness the general conviction in Rumania even among people with bullet wounds that the December 1989 revolution did not take place at all, it was a technical fraud perpetrated by Western television and Hungarian spies. ‘Nothing has changed’, ‘the same people are in power’, you know the kind of thing.) But Soviet-style state capitalism *has changed* things enormously, therefore the widespread analogies with Tsardom (so popular even in respectable historiography and political science produced by the *faux naïfs*) are ridiculous. Bolshevik rule has accomplished many of the customary goals of bourgeois revolutions: industrialisation, urbanisation, secularisation, compulsory comprehensive education, magnanimous financing of art, science, technology, eradication of tribalism, edification of a gigantic infrastructure (railways, motorways, pipelines) and, perhaps most significantly, the relocation of the peasant population from mud huts into what is called in England ‘council estates’, in the US ‘housing projects’, in France HLMs but on an enormous scale. The ‘council estates’ of reinforced concrete in a desolate grey are still adored by the majority of East Europeans. They had been their way out of a peasant past, out of the old dispensation that by 1917 was so hated as no other known social and political system in world history. This is something which is all too frequently forgotten. The Hungarian expression for peasant, *paraszt*, comes from a Slavonic word meaning ‘simpleton’, the English ‘villain’, the French *vilain* comes from the late Latin *villanus*, meaning ‘a villager’, ‘a rustic’. Contempt for the ‘ignoble’ (originally meaning simply a commoner) in an agrarian caste society is unimaginable in our comparatively egalitarian world. Most people’s grandparents in Eastern Europe were routinely slapped and kicked by landowners’ agents, by the foremen and by gendarmes after which they had to kiss the hand that slapped them. The first president of the Hungarian republic in 1918, the revolutionary Count de Károlyi, one of the richest magnates in the Empire, was first seriously moved to betray his aristocratic caste when he discovered after a satisfying shoot that in the hunting lodge of his obliging noble cousin each guest found in his bed a shivering naked Rumanian village girl, like nowadays the complimentary chocolate in hotels. Caste also frequently meant race. The myths of Normans vs. Saxons, Vikings vs. Celts, Latins vs. Thracians, Turcomans vs. Finno-Ugrians, Scandinavian *Varegs* like Vladimir Shining Sun the Prince of Kievan Rus vs. Slavs (a word that was transformed into *slave*, *schiafone*, *esclave*), Franks vs. Gauls, Hellenes vs. Pelasgoi show very well that social hierarchy was defined, as it were, ‘biopolitically’.

Certainly, the bourgeois myth about social superiority, ability and luck, *la carrière ouverte aux talents*, a formula by who else, Napoleon Bonaparte, has a biological component, too. (Compare the urban legends of athletic and musical Blacks, soulful Russians, thrifty and diligent Anglo-Saxons, quick-witted Jews and so on.) But this is nothing in comparison to the all-pervasive ‘natural’ permanence of caste. Even today, in allegedly cosmopolitan and sophisticated Budapest, people are prefacing their casual remarks to me, someone they know from the telly, ‘Excuse me, sir, if one of us average little people might take the liberty to address you’ which of course will not prevent them from dissing me in the next sentence. This preternatural

resilience of caste was that made Dostoevsky and Lenin and Ady and Rosa Luxemburg indignant and rebellious, not so much class society, a comparatively innocuous state of affairs resisted politically and culturally by a mighty labour movement of considerable prestige, the source of an adversary culture able to bestow honours on the enemies of the establishment – in the West. Much was made of Marx’s hostility to ‘rural idiocy’ of a *sippenfremd*, *körperfremd* and *naturfeindlich* doctrinaire scribe by uncomprehending *passéiste*, past-worshipping conservatives, but this hostility was felt by the whole Enlightenment crowd. The narodniks loved the Russian bonded sharecropper, the *muzhik*, but they wanted him to cease being one. The Bolsheviks abolished peasantry with a genocidal fury, and at the beginning they wanted to put an end to patriarchal, monogamous marriage and every kind of religious worship also with their characteristic murderous violence. Obviously though, they could not sustain a régime of private property without the creative chaos of the market with no recourse to the family and some kind of fake state cult. Property even, or especially, of their peculiar kind cannot be protected if in other areas of social life there is anarchy. Nevertheless, the destructive rage of the Bolsheviks should not be underestimated. This they shared with other varieties of Eastern radicalism, e. g., with military-secularist nationalism from Kemal Atatürk to Nasser to Boumediène to Aflaq to whom they bear anyway a more than passing resemblance. The leap from earthbound archaic community whose main techniques have not changed much since the fourth century AD to the avant-garde of Maiakovski, Isaak Babel and El Lissitzky is staggering. The price was unprecedented suffering and atavistic regress. To call a modernising military monarchy a ‘socialist council republic’ is ridiculous but no more than calling an aristocratic caste society based on practices inherited from the ancient, especially Persian, Central Asia through the mediation of Byzantium, the *Holy* Roman Empire of the German Nation, i. e., a *Christian* realm. This is the oldest cliché of them all, but it is quite true that the empire of Charlemagne had as little to do with the Sermon on the Mount – although he was busy converting heathens to Christianity through the sword and fire – as Stalin’s empire with revolutionary socialism. Everybody knows this, but the contemporary propaganda in favour of capitalism would conjure up the spectre of socialism by reference to the Soviet Union or the Khmer Rouge. This is like stating that God’s existence was definitively disproven by the Merovingians. (But of course we have not thereby proven the existence of God, either.)

Market capitalism in the West was more or less organically grown which means that elements of continuity and tradition persist. The countryside was not totally devastated, some aristocratic and Christian views and practices of honour and charity remain, there is some residual respect for institutions, a few ancestral standards of excellence have been miraculously maintained. In many ways the West, albeit prouder and less self-conscious, is more deferential. I was taken aback when at a function in Washington DC, Bill Clinton swept in and everybody stood. This could not happen in Eastern or in Central Europe, here there are no remnants of erstwhile royalty: politicians and bosses are garbage. At the same time, there is no plebeian dignity either. Even ideologically, market capitalism (‘liberal democracy’) with its half-hypocritical ideas of excellence delivers respect as a consolation for social conformity and thus, it is both more and less egalitarian than Leninist-Stalinist state capitalism was. The reason for this is a truly revolutionary change that the party of Lenin and Trotsky and Mao has brought about. This is the abolition of the apparent ‘naturalness’ of caste societies. This was an empirical-experimental demonstration: forced social mobility, upward, forward and away, the extermination or exile of the anointed and the blue-blooded, a blatant disregard of ethnic and religious pieties which also appeared previously as near-eternal and holy, *ergo* quasi- or preternatural, has shown instructively that social, political and sacral institutions were transient, *ergo* historical, not natural. This understanding is one of the most intoxicating experiences, see Kant’s, Fichte’s and Hegel’s effusions about the French revolution. The same feeling pervaded radical souls regarding the Russian October revolution and the Chinese communists’ Long March.

This is not only ‘history in the making’, but history being started and history installed as a principle of reality. For the common people, the lower-caste and the outcast, this meant the establishment of agency, the transformation of subjects to/of authority into agents of historical power, that is, a power of/to change, even

if for a fleeting illusory moment, but of enormous ideological and cultural import. Holiness and naturalness of social hierarchy and domination had been destroyed, even if hierarchy and domination had not.

This emptying out, this *kenōsis* of ‘God’ and ‘nature’ makes the East devastated by the Bolsheviks an ideal terrain for mature market capitalism. Capitalism was, after all, tenaciously opposed on the right by the alliance of throne and altar and, on the left, by revolutionary socialism/ anarchism. Bolsheviks have done away with both.

No pilgrimages and no strikes.

No abbots, no viscounts, no shop stewards, no union organizers. A class society without the slightest trace of caste or ‘estate’ (in the sense of *Stand, état*, ‘status group’), in a certain sense a society more modern than its Western counterpart. It was and to a certain extent still is animated by peasant anger. What the English call ‘quality’ (*die Herrschaften, az urak, domini, dvorianie*) that commands obedience has disappeared for ever, replaced by capitalism’s voluntary servitude based on the consciousness of perennially imminent change. ‘Opportunity’ and ‘choice’ did not play a manifest rôle during *Bolchévisant* state capitalism, for it was conceived as an asymptotic progression or ascent to a pre-ordained goal, but both implied a notion of an intertwined personal destiny and unavoidable change in one’s own and everybody else’s social position. Instead of the prevalent image of a caste society as a *house, a building, a dwelling, an abode*, class society appears to be a Heraclitean *flux, a stream, a river, a current*. The Bolshevik revolution has shown, as Lukács and Bloch have immediately understood, that nature and history are not concomitant, synchronic antagonists, but subsequent phases of social development as comprehended and modified by ideology. The absolute purity of class society under (both revolutionary and counter-revolutionary) state capitalism resided in the central experience of the breakdown of natural (hierarchical and/or racial) barriers through vertiginous social mobility which resulted in the widespread impression of interchangeability of individuals, thereby fostering a sense of equality quite different from the radical Protestant idea of universal priesthood, no, this was a universal laity buffeted by violence and harsh oppression of which nevertheless *no one was exempt*. Show trials against Old Bolshevik high priests and the slogan ‘fire on headquarters!’ of the Great Proletarian Cultural Revolution in China have reinforced this crucial impression. This was the Leninist-Stalinist version of Schumpeter’s ‘creative destruction’ (a phrase in a tribute, an *hommage* to Bakunin) meant to pre-empt a restoration of caste, the greatest fear of the Bolsheviks, the only real threat *they* could see to the régime’s legitimacy which they described as the peril of the restoration of capitalism. But this was bunk, since was no capitalism to *restore*, only a capitalism to purify and perfect. Class, which is a structural feature of modern society and of modern society only, pace *The Communist Manifesto*, is not an immobile-looking biocultural reality like caste: it is, among other things, a strategic location within the economy, pushed this way or that by the class struggle. Continental conservatism still tries to re-naturalize class society (in this, like in everything, following Max Weber), this naturalization usually performed through transforming socio-economic location into cultural attitude and cultural typology, like in the myths of *Bürgerlichkeit* and *embourgeoisement* as if belonging to the capitalist class were dependent on a predilection for Trollope or Fontane and a fondness for *Winterreise*, plus a little money used for the quirky dilettantism of the *flâneur*. These myths are extremely popular in Eastern Europe today since the only way we seem to know to ennoble social relations of any kind is to reduce them to some pre-capitalist, pre-class biocultural feature of habit, attitude, ethnic destiny or some such.

The fact that the modernist revolutions in the East were led by outsiders like the urban proletariat and the more or less Jewish intelligentsia makes it appear retrospectively as a revenge of the foreign-hearted to many locals. Since both the ruling and the serving class of the *ancient régime* disappeared altogether and autochthonous bourgeoisie never existed, *Bürgerlichkeit* as a cultural contrivance had to be introduced, an imaginary non-communist modernity. As a result, apologists for the post-1989 market system have to downplay the backwardness of the old East. *Bürgerlichkeit* without *Bürger*, without bourgeois, a putative

pre-1945 citizenry without civic rights and republicanism is in dire need of our powers of invention. For it is a question of national pride not to recognize that the only modernity the East has or ever had is of the Bolshevik kind. All our modern institutions, habits of the heart and of the mind, high culture and the lack of it had been created during 'communist' rule, of course often by people who loathed the system passionately. Needless to say, the East Bloc countries were horrible police states at their best, but this is not their only aspect that needs attention, since comparable horrors, albeit over a shorter time, can be found elsewhere as well, and this was the aspect which was best resisted by us dissidents after the 1960s. This resistance was, although I say it myself, morally justified and politically significant, but unfortunately it did not offer us superior insight into the workings of the system. The system had to fail, this much was obvious, after a longish transition towards more customary forms of capitalism and thus the essential taboo of ownership was gradually broken. The ultimate proof for the ideological belief that state capitalism was not capitalism rested on the assumption that the surplus value was appropriated by central authority for the common good of the community and re-invested for the same purpose. The fact that workers continued to be wage-labourers with no say in the running of production and that they were commodity consumers, taxpayers and clients of public services was supposed to be caused by technical problems only, like the classic ones of the so-called 'socialist accounting', a well-known theoretical mess. The main ideological hypothesis was that the whole yield was redistributed (although naturally not only for personal consumption) without a profit being retained for the exclusive use of the class of owners. This ideological idea could be maintained as long as central planning could hide, up to a point, the glaring inequalities of income and, especially, control and command. When after the 'pro-market' reforms from the late 1960s companies and co-operatives had become autonomous and 'redistribution' was dependent on profits, that is, it had become a concealed version of usual taxation, and planning was less and less central, targets being fixed by the companies themselves, it was 'group (or "prebendary") property' instead of 'collective property' that was the general case, and one-Party governance had to become competitive if not plural.

The transformation of company management exercising *de facto* prebendary ownership merging the functions of majority shareholders and of technical bosses, into *de iure* owners through management buy-out (the chief variant of 'privatisation'), asset-stripping, outsourcing, inviting in of strategic partners and external financiers and sponsors etc. was magically easy. At the very last moment of its existence the 'communist' system has betrayed its secret: it was not some kind of 'non-ownership' transformed into private property, but one kind of private property was transformed into another. The role of central state authority was shown to have been the function of an arbiter like in every self-respecting bourgeois polity, and the execution of the liquidation of the remnants of an egalitarian welfare state was so successfully accomplished because there were no anti-capitalist forces left. Doctrinaire communists who were on the brink of discovering what was going on, were marginalised, the workers' councils' and trade unions' tradition was repressed, Catholic anti-liberalism and anti-secularism was not yet resurrected, the habit of collective action was non-existent. The supreme irony is that politically the system was defeated by the workers' movement, Solidarność in Poland, again the dupe of the bourgeoisie, speedily transformed into several ultra-liberal or ultra-nationalist or ultra-Catholic parties, and the same happened to the old establishment adversary, the official 'communist', post-Stalinist party. The story is the story of Kronstadt, here and now without tragic grandeur and, blessedly, without mass murder. The hidden ruling class has come out of the hiding and the proletariat, too, but of course nowadays you must call the former 'the economic élite' and the latter not the working class, God forbid, but employees (*die Arbeitnehmer, le salariat*) or job-seekers, and if your boss is particularly nasty and does not want to pay your social security, then you become an independent contractor or small entrepreneur (with the interesting result in Hungary that entrepreneurs earn less on average than wage-workers...). Many East European 'coerced entrepreneurs' (this is our official statistical or census term: *kényszervállalkozók*) suffer of malnutrition. Many are homeless. The compulsion to lie about class has not abated even if we are not supposed any longer to edify a classless society. But ideologically our society is still classless, since class is unmentionable, it is only totalitarian communists who talk about class. What calls itself officially 'the bourgeois Left' (*die bürgerliche Linke, polgári baloldal*) speaks only of 'poverty'. But poverty is not a

collective agent, poverty does not think and act. ‘The bourgeois Left’ speaks of ‘social sensitivity’ (*szociális érzékenység*) which means the usual charity for the usual deserving poor. A few years ago these people called themselves Marxist-Leninists but it is only now that they can be open and frank about it. They know perfectly well that the social democratic welfare state in the West had to be dismantled owing to the same pressures as the post-Stalinist welfare state in the East (‘the premature welfare state’, as János Kornai calls it, he has apt names for everything): the falling profit rate, old friend, that’s why.

The ruling class took vigorous action. In view of the plummeting living standards and the resulting disquiet has made the well-known political concessions attracting some fresh blood from us democratic fools and cutting their losses in such a radical fashion that nobody in the affluent West would have dared to emulate them. The ‘structural adjustment’ between 1988 and 1995, according to our Central Bureau of Statistics, destroyed more economic assets than the second world war, real wages are still lower than in the 1970s, all social indicators are in the shape you know they’re in, a million and a half jobs vanished overnight – and I am speaking here of Hungary, the success story of the region. Russia, the most important case, is a black hole, a country that has no economy in the customary sense of the word, nor does it have a state that commands the allegiance of its nominal citizens so that they would attempt at least to pay sometimes some of the taxes and be aware of a tentative legal system in their country they are supposed to observe under the threat of punishment. These factors do not seem to play a role. Civic patriotism and a sense of national solidarity, a willingness to sacrifice to common national ends of some sort are not available, the focus is not national, but ethnic/racial. Xenophobia and what they call ‘communalism’ in India can survive very well in the total absence of the bourgeois version of social solidarity, nationalism. Xenophobes and racists, many of them former KGB and Securitate people, like to blame the collapse of East European societies on the foreigner – in our case, multinational corporations and international financial organizations. But these groups were invited by the *ci-devant* ‘communist’ nomenklatura (or what one of our wittier fascist writers calls ‘the transvestite nomenklatura-bourgeoisie’), our ruling class is undistinguishable from the transnational Rulers of the Universe and Everything: they were and remained *the vanguard*. They are *la Russie profonde*. And many, like in all eastern vanguards, are, alas, Jewish, especially in Russia where, given the traditions, this is insane.

Finally, it is quite simple why there is no resistance to capitalism in Eastern Europe. Capitalism was created here by socialists, socialism here means capitalism and vice versa. Eastern conservatives, desirous of recreating or at least re-imagining a pre-Leninist order, holy and natural, cannot love capitalists because then they would have to love communists. The very numerous loyal believers in the wisdom and saintliness of the Leninist-Stalinist *ancien régime* (and their number is steadily increasing, see the incredible triumphs of the hard-line Communist Party of Bohemia and Moravia) must be blind to the very nature of the system they are now fancifully transmogrifying into a folksy arrangement of justice, fairness and niceness. They cannot oppose capitalism since they are still calling it (their own version, of course) socialism.

La Nouvelle Alternative asks me what to do about the edification or reconstruction of an East European Left. The goals are pretty obvious for opponents of capitalism, and I do not wish to waste your time with generalities that are a matter of general if vague agreement. But who will be the Left here? My answer to this question would have been a cliché a hundred years ago, but it is uncomfortably odd today.

Socialism has not failed since it had never been attempted.

Socialism is proletarian socialism, there is none else. The Left will be a working-class Left or it will not be. How so? Let me say a few words about this.

First, we must differentiate between pre-1917 (and in the rest of the so-called ‘socialist’ countries, pre-1945) old urban working class which was a modern, secular, politically committed, literate élite informed by an anti-capitalist adversary culture (Lionel Trilling’s widely accepted term certainly applies to the Second

International proletariat) and between the new working class created by the Bolshevik tyranny through administrative-military action which fostered industrialization and urbanization. This new proletariat was meant *ideologically* to be a non-class in keeping with the Marxian promise about the abolition of the proletariat and of alienation *uno eodemque actu*, a non-class supposed to embody the Rousseauist/ Fichtean concept of the ‘people’, the total and equal political community of non-possessors. Proletarian class consciousness would have been a heresy and *lèse-majesté* in a ‘communist’, that is, classless society. The Leninist-Stalinist parties always protested wildcat strikes during crises with ‘the working class cannot fight itself’, since it was assumed that the working class was the ruling class and the collective owner while being non-possessor without being dispossessed. By the usual cunning of reason, the modern class society that resulted from the Bolshevik revolution’s violent overthrow of agrarian caste society was able to enter its own adequate consciousness only once post-Stalinist state capitalism was itself overthrown in 1989. But precisely at this moment, any ideological justification for class consciousness disappeared because, ironically, any talk of class was assimilated to the propaganda armoury of the recently abolished ‘socialism’ which has built up class and has fractured class consciousness. The ex-‘communist’ successor parties (now calling themselves socialist or social democrat) segued seamlessly into another kind of modernist vanguard. If back then progress meant planning, centralisation, command economy, bureaucratic rule etc., now the interest of progress and modernity demands monetarism, balanced budgets, tax cuts, the privatisation of everything, deskilling and so on. The ‘communist’ ruling class might not have been a classical bourgeoisie in the Weberian sense of *Bürgerlichkeit*, but it was and it still is a capitalist ruling class now having co-opted new groups and having had made its peace with either liberalism or – in some places – with old-style reactionary chauvinism, and with the West.

The post-‘communist’ working class, very much the opposite of a class-in-itself-and-for-itself, is rather a ‘subaltern’ class in the sense once defined by Gramsci and now developed by Ranajit Guha and Gayatri Chakravorty Spivak. It is a class which is not represented either symbolically or politically. The independent Left in Eastern Europe (which does not belong to the post-post-Stalinist successor parties and their entourage), very much like its counterparts in the West, is a cultural Left worried about minorities, immigrants, asylum-seekers, gays, the environment and peace (feminism, which would be really contentious, does not seem to take) and I for one do share these concerns. Since the groups symbolically represented by the cultural Left *are* represented, there might be a way out for the out of ‘subaltern’ status. But the workers are mostly white *goyim*, so their oppression remains unperceived except when ‘worker’ stands for exactly that – that is, white *goyim* – in the racist/ ethnicist discourse directed against the oppressed or discriminated racial/ethnic minorities, so the notion ‘worker’ is used like the phrase ‘ordinary Americans’ in the propaganda talk of conservative populists in the United States. This usage – mainly in Poland, Rumania, Hungary – makes the working class even less visible, the only prevalent or frequent use being clearly fraudulent. ‘The proletariat will never come to embody power unless it becomes *the class of consciousness*’, says Guy Debord (*The Society of the Spectacle*, 1967, § 88). What Debord says of the Bolshevik revolution (‘this was the moment when an *image of the working class* arose in radical opposition to the working class itself’, *op. cit.*, § 100), may prove very true again if we are not careful. Because if a new departure for the Left in the East regards the working class as ‘subaltern’ like Lenin and Trotsky regarded the humiliated peasantry, then the proletariat will never be ‘the class of consciousness’ and liberation will come to mean another power switch that will preserve domination under some new kind of ideological delusion/manipulation.

Eastern Europe might turn again into *the weakest link* in the chain of capitalist régimes because of Eastern capitalism being so pure, cleansed and purged by Leninist-Stalinist mass murder, coercion and comprehensive servitude. There are no quasi-feudal and no socialist elements in this society. This is a microcosm that – unlike Western régimes – is purely, totally, a pristine and perfect capitalism. The only kind of resistance is purely nostalgic and *passéiste*, either from the symbolic standpoint of the ‘natural world’ of agrarian-pastoral caste society, or from that of the tragedy of the emancipatory attempts which ended in state

capitalism, tyranny and abject surrender. In other words, it is merely ideological. The new proletarian, the person who, according to Guy Debord, is characterised by a lack of control over his or her life, dwells in the absolute obscurity of not being a political subject, of being forgotten and being simply denied. The first step for an East European Left should be to awaken to the memory and reality of class which means a step towards the recognition of working class autonomy and subjecthood. In this, we are in a worse position than in 1848. With one signal difference: neither capitalist modernity nor the proletariat are advanced enclaves in an archaic social cosmos: now both are everything. Now that it is a majority, the working class is politically nothing. Observe this and start from here.