The New Realities of BSA/SEP

'Globalization' & the Unions

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Today in Germany many of the gains won by workers in the past are under attack by the bosses. In the name of job security, the union bigwigs are offering one give-back after another: on hours, working conditions, wages and the whole system of regional collective agreements. But, for all the "flexibility" and concessions offered by the bureaucrats, jobs are still being axed, not secured, and conditions for working people continue to deteriorate.

The current capitalist offensive makes it clearer than ever why workers need trade-union organization to defend their interests. The level of unionization in Germany remains one of the highest in the world: about 9 million workers are organized in the German Trade Union Federation (Deutscher Gewerkschaftsbund—DGB). In July 1996, when the DGB bureaucrats called a demonstration in Bonn, 350,000 workers responded. It was an impressive display, even if it was only used to let the rank and file blow off steam.

There is no question but that the German unions are losing ground—in 1996 alone, membership contracted by 348,000. But the workers who are quitting the unions are generally the more conservative and demoralized ones. There are also some who are leaving because they are disgusted by the treachery of the leadership. But this exodus does not represent either political or organizational opposition to the rotten union leadership. And the only mass workers' protests—partial and ineffective as they have been—have been organized within the framework of the existing unions.

We are undoubtedly witnessing the rapid political and moral disintegration of the union leadership, which none-theless continues to exert a profoundly reactionary ideological influence on workers. Yet, despite this, the majority of advanced, active workers remain in the unions. The objective of politically-conscious militants must be to work within the unions to struggle to oust the bureaucrats and win leadership on the basis of a class-struggle program.

The BSA (Bund Sozialistischer Arbeiter—German affiliate of David North's U.S. Socialist Equality Party) was long known for its attempts to pull off various opportunist maneuvers with one or another "progressive" bureaucratic clique. Today, they have suddenly taken to posing in ultraleft clothing. Their only activity in the unions is to pronounce them dead as organizations of the working class:

"As an opposing power, that is, as workers' instrument for defending their rights and interests, the unions are dead. The actual existing unions are a disciplinary power in the hands of employers and the government."

—neue Arbeiter Presse (nAP), 28 March 1996

They assert that henceforth the unions will always side with the capitalist state in future class struggles, and that workers can no longer use their existing unions as organs of struggle:

"workers must draw a balance and break with the unions. The way forward lies in building a socialist party.... "Instead of mourning for the reformist bureaucrats, it is more important to understand the social reasons for the transformation of the unions. The internationalization of production and the globalization of markets has made post-war union methods useless."

—Ibid.

Reformism...Then and Now

The BSA treats the treacherous role of the reformist union leadership as a new phenomenon arising from changed international economic and technological developments. Marxists assert, on the contrary, that this is nothing new: the reformists went over completely to the side of capital over 80 years ago. Since then the labor reformists have repeatedly proved themselves to be the reliable "bloodhounds" of the capitalists. In 1919, at its first congress, the Communist International (Comintern) declared that, when the first shots of World War I were fired:

"This was the moment of the final bankruptcy and demise of the Second International....

"Owing to these circumstances, the official social democracy degenerated into an anti-socialist and chauvinistic party."

"The Attitude to the `Socialist Currents' and to the Berne Conference"

The Comintern's attitude to the reformist-led unions was similar:

"During the war most of the trade unions proved themselves to be part of the military apparatus of the bourgeoisie, assisting the exploitation of the working class and spilling the blood of the proletariat in the interests of capitalist profit....These unions, corrupted by their opportunist leaders, betrayed not only the social revolution, but even the struggle for the improved living conditions of the workers they represented. They abandoned struggle with the bosses in favor of a program of maintaining peace and agreement with the capitalists at any price."

—"The Trade-Union Movement, Factory Committees and the Third International," Second Comintern Congress

There is no need to revise this assessment today.

It is true, as the BSA writes, that the union bureaucrats have betrayed various struggles and snuffed out the recent waves of protest. But this is their role under capitalism. One of the key reasons that capitalism has survived is because the reformists have repeatedly rescued it at critical moments. That is the central lesson of the international class struggle in this century. The reformists are in a position to betray because they have been able to retain leadership of the workers' organizations, and the masses continue to have faith in them.

The Comintern, under the leadership of Lenin and Trotsky, argued that it was necessary to connect immediate questions of defending and improving proletarian living standards with the struggle for socialism through the use of transitional demands. But with its ultra-left turn, the BSA has reverted to the old social-democratic minimal/maximal program. Instead of seeking to raise the level of every-day struggles through introducing demands to reveal the

logical connection between immediate issues of the class struggle and the historic necessity of revolution, the BSA falls back into abstract descriptions of the beauty of socialism. In the imperialist epoch such methods inevitably de-

generate into right opportunism.

When the *neue Arbeiter Presse* discusses union and workplace struggles, the only practical recommendations put forward are for workers to leave their unions and join the BSA's committee "to defend wages and jobs" (*nAP*, 12 May 1996). While endlessly repeating that struggle is "possible only on the basis of a socialist program," the BSA cannot connect the issues of the day with the ultimate question of state power. *Neue Arbeiter Presse* outlines all the nice things that a workers' state will do for the working class, but it has little to say about the political path necessary to achieve such a regime. In this kind of propaganda, socialism is presented as a useless abstraction: a workers' regime would be wonderful, but the problem is there is no such regime, and the BSA can offer no practical suggestions about how to advance the struggle to create one.

In practice, the BSA avoids actual struggle against reformism, and contents itself with denouncing it and pronouncing it dead. Reformism, however, is not dead. It retains its influence among the mass of the workers.

The granting of all important reforms is determined politically, i.e., through social struggle—it does not come as an automatic byproduct of objective economic conditions. Reforms are utilized in the era of decaying imperialism to dissipate political crises. In purely economic terms, capital never feels able to "afford" reforms, because every concession reduces profit. But securing capitalist class rule as a prerequisite for the whole profit-making system also has its price. This price fluctuates according to the level of class struggle.

The BSA in the 'Globalization Trap'

On globalization the BSA shares the notions propounded in a popular book by two *Spiegel* writers, Martin and Schumann, entitled *The Globalization Trap*. The BSA's "central analytical theses" can be summarized as follows:

- The level of international integration of production through direct corporate investment has recently changed qualitatively.
- This "globalization" has resulted from the development of new computer and communication technologies.
- These have permitted the big monopolies everywhere to become "global networks" without special national identities or connections.
- This economic development makes the nation state increasingly powerless against "global capital."

The BSA concludes that state intervention in the distribution of wealth and related social programs is no longer possible. But has there really been a qualitative change in capitalist development in the era of imperialism? In *Imperialism: the Highest Stage of Capitalism,* written during World War I, Lenin noted that with the worldwide expansion of finance capital, and the fusion of industrial and bank capital, "finance capital, literally, one might say, spreads its net over all countries of the world." He also observed that imperialism is characterized by "a new stage of world concentration of capital and production" by so-called international "supermonopolies." But he correctly asserted that such formations cannot be stable if they are not based in a single imperialist state, as they can become a "victim" of war or other changes in the relation of forces.

Trotsky's theory of permanent revolution was based on fundamental teachings of Marx, which the BSA treats as unknown in Lenin's and Trotsky's time:

"Marxism takes its point of departure from the world economy, not as a sum of national parts, but as a mighty and independent reality which has been created by the international division of labour and the world market, and which in our epoch imperiously dominates the national markets. The productive forces of capitalist society have long ago outgrown the national boundaries."

—Trotsky, *Permanent Revolution*, preface to German

The newspaper of Swiss finance capital, the *Neue Zürcher Zeitung* (28 December 1996), presents an assessment of the significance of recent "globalization" theories that is considerably more sober than the BSA's:

"It is taken for granted that globalization has stood all existing economic rules on their heads....But, the delicious theses do not stand up to closer scrutiny....What brought the world closer together occurred during the second half of the last century—and not only today: steam-powered mass transportation on land and water as well as the rapid spread of telegraphy. That was a qualitative change, which integrated the national economies around the globe for the first time. Compared to that, the present communication and transportation methods are only a matter of quantitative improvement of a standard which was achieved more than a hundred years ago."

The forces driving internationalization are not new. There are two central factors: first, the search for new markets and developed sites for production. Today, this is especially true in eastern Europe and the Pacific-Asian area. The second is the drive toward lower production costs, e.g., wages, environmental protection and taxes. Throughout the imperialist epoch, the capitalists have searched for investment opportunities around the globe. For this, they need the support and protection of their nation state.

It is true that the export of capital has recently increased dramatically. German investment abroad has jumped from 20 billion DM in 1989 to 48 billion DM in 1996: foreign direct investment by German companies now stands at about five percent of total domestic investment. In 1913, by comparison, foreign direct investment by British enterprises amounted to 44 percent of domestic investment.

The 'Helpless' State

Proponents of the new "globalization" theories talk a lot about global networks or "global players" who have no national ties, and about how consequently nation states are becoming powerless to determine policy. The BSA may minimize the importance of the national state, but, in reality, it continues to play a central role in the functioning of the economy.

For example, Siemens and Adtranz recently won a contract with a Chinese partner for a big order of subway cars. They won the bid because the German federal government pre-financed the deal with very favorable interest credits. It is perhaps ironic that a good part of the order is going to be built by a Brazilian subsidiary of Siemens, but this example clearly illustrates that Siemens needs strong state backing to ensure the profitability of its foreign investments, and, conversely, that the German state (which looks out for the overall interests of German capitalists) helps Siemens because of its importance to the national economy.

Similarly, the U.S. looks after the interests of IBM, Microsoft and the American music and film industry. At the

first ministers' meeting of the World Trade Organization in late 1996 in Singapore, the U.S. insisted on opening up the markets of the Asian "tigers." This dismantling of state regulation does not express the powerlessness of the states in relation to the economy, but, at most, the powerlessness of certain states in relation to the mighty imperialists.

Just as the protection of private property has historically depended on the monopoly of organized violence by the state, so too "globalization" requires state power. And there is no state power except that of the nation state. All agreements reached by international organizations (e.g., the United Nations, the International Monetary Fund, the World Bank, the World Trade Organization/General Agreement on Tariffs and Trade) result from hard negotiations, pressure and muscle-flexing among various national states. The agreements that have created the prerequisites for accelerated internationalization must all ultimately be enforced by the participating national states, particularly by the stronger (i.e., imperialist) ones.

The fundamental economic processes of the capitalist world economy, the role of the national states in them, and the relationship between state power and economics has not changed. The state protects the capitalists from their enemies both at home and abroad. In exchange, capital is required to relinquish a portion of the available social surplus to the state. Neither the individual capitalists nor the capitalist state have an interest in making more concessions to the workers and the poor than absolutely necessary.

The current political climate is being utilized by the bourgeoisie to improve the situation of capital at the expense of the masses. The shrinkage of the public sector is not a sign of the powerlessness of the state, but rather a result of the weakness of the workers' movement. The rise in class struggle across Europe in the last few years indicates that the working class has begun to recover from the world-historic defeats of the years 1989-91. At the same time, the erosion of the relative inter-imperialist "harmony" that characterized the Cold War period is becoming apparent diplomatically and militarily. These developments will tend to increase the reliance of capital on the state machine. The BSA, however, must deny such possibilities because of its "globalization" theory.

The BSA's theoretical nonsense reveals its most dangerous practical consequences with respect to the unions. The logic of their new position would tend toward indifference to new legal restrictions on the unions, whereas communists fight:

"uncompromisingly against any attempt to subordinate the unions to the bourgeois state and bind the proletariat to `compulsory arbitration' and every other form of police guardianship—not merely fascist but also `democratic.'"

—Transitional Program

The struggle against state intervention in the labor movement is inseparable from the fight against the tradeunion bureaucracy. Marxists defend the trade unions, and even their misleaders, against attacks by the capitalists and their state. The BSA, on the other hand, could, with their new position, at some point find themselves in a political bloc with the capitalists in their attack on the institutions of the workers' movement. This kind of "united front" would not be unprecedented: in the early 1980s, the BSA supported both the counterrevolutionary Solidarnosc in Poland, and the imperialist-backed Afghan *mujahedin*.

The Practical Methods

The BSA once knew, at least in the abstract, how communists view the question of the struggle against the procapitalist labor parasites. In 1976 it published a pamphlet (which it still sells) with writings by Trotsky on the tradeunion question. In the preface, the BSA painted a dark picture of the situation of the unions, but nevertheless explained that:

"the struggles, into which the working class is forced through the capitalist crisis, will lead to the biggest confrontation in the trade unions....Trotsky emphasized, as Lenin did, that cadres who are educated with Marxism must work in the trade unions also under the most difficult conditions. The complete independence of the trade unions from the state and the call for the complete achievement of trade union democracy must stand at the center of the struggle for a socialist program."

The working class today finds itself in a serious political impasse, which is manifested in a low level of resistance to the union bureaucracy. One glaring contradiction of the BSA's position is that while it claims that the active involvement of the working class is vital to build a new party and realize socialism, it presumes that the workers are unable to carry out key tasks of the class struggle, namely:

"revolutionizing the trade unions, ridding them of reformist influence and the treacherous reformist leaders, and transforming them into a genuine stronghold of the revolutionary proletariat."

—"The Struggle Against the Amsterdam (scab) Trade-Union International," Third Comintern Congress

In its trade-union brochure, the BSA published a text of Trotsky's from the late 1930s:

"The intensification of class contradictions within each country, the intensification of antagonisms between one country and another, produce a situation in which imperialist capitalism can tolerate (i.e., up to a certain time) a reformist bureaucracy only if the latter serves directly as a petty but active stockholder of its imperialist enterprises, of its plans and programs within the country as well as on the world arena."

—"Trade Unions in the Epoch of Imperialist Decay"

Trotsky did not base his policies on a falsely optimistic picture of the character of the trade-union leadership. Nevertheless he concluded that:

"in spite of the progressive degeneration of trade unions and their growing together with the imperialist state, the work within the trade unions not only does not lose any of its importance but remains as before and becomes in a certain sense even more important work than ever for every revolutionary party. The matter at issue is essentially the struggle for influence over the working class. Every organization, every party, every faction which permits itself an ultimatistic position in relation to the trade union, i.e., in essence turns its back upon the working class, merely because of displeasure with its organization, every such organization is destined to perish. And it must be said it deserves to perish."