

Chapter 8

Ruptural Transformation

Draft 1.3, August 2006

It may seem odd at the beginning of the 21st Century to have an extended discussion of ruptural transformations of capitalism. While revolutionary rhetoric has not completely disappeared, few critics of capitalism today imagine that a revolutionary overthrow of the state in the developed capitalist countries is a plausible strategy of social transformation. Quite apart from any considerations about the desirability of the ultimate outcomes that would actually be generated by such overthrow if it were to occur or moral considerations about the immediate consequences that would accompany such a strategy, the idea that the strategy itself could possibly succeed seems very far-fetched. In spite of this, I believe that there are four reasons why it is worthwhile discussing ruptural strategies. First, political activists, especially when they are young, are often attracted to the idea of a radical rupture with existing institutions. The existing structures of power, privilege and inequality seem so malevolent and so damaging to aspirations for human flourishing that the idea of simply smashing them and creating something new and better can be appealing. This may be because of wishful thinking or romantic illusions, but nevertheless the idea of revolution continues to excite the imagination of at least some activists. Second, a clear understanding of the logic and limits of a ruptural strategy of social transformation can help clarify alternative strategies. Theoretical and political debates on the left have been waged since the 19th century in terms of the “reform” vs “revolution” opposition, and in important ways the specificity of the former comes from this contrast. Third, while I am quite skeptical of the possibility of system-wide ruptural strategies, more limited forms of rupture in particular institutional settings may be possible. Finally, even if ruptural strategies for social empowerment are not plausible at the beginning of the 21st century, I also do not have a crystal ball which tells me what the future holds. The idea of ruptural strategy still needs to be part of our strategic thinking about social transformation since such strategies may become more relevant in some places at some point in the future.

The key question and underlying assumptions

The question I want to address in this chapter is this: under what conditions is it plausible to imagine that there could be broad popular support for a ruptural strategy against capitalism? The analysis will be based on three assumptions:

First, I will assume that in developed capitalist countries with functioning liberal democratic institutions, a ruptural strategy for socialism would have to work in significant ways through the ordinary democratic processes of the capitalist state. This does not mean that the ruptural strategy would not include fundamental transformations of the form of the state itself – democratic deepening of the state is part of the agenda of social empowerment. And it does not mean that a ruptural strategy would not also include political actions outside of the state in civil society and in the economy. My assumption is simply that if a ruptural strategy of transformation is at all feasible, it will not take the

form of an insurrectionary assault and overthrow of the state by extra-parliamentary means in the model of classical revolutions. The reason for making this assumption is not a rejection of revolution on the basis of some absolute moral objection to insurrectionary violence, but rather a belief that under foreseeable historical conditions such means would be incapable of actually creating a deeply egalitarian democratic form of social empowerment in developed capitalist societies.¹ However difficult it might be, therefore, if a ruptural strategy is to be pursued *for the goal of democratic egalitarian socialism*, then the strategy will have to work through the existing, imperfect state machinery.

Second, I will assume that given the necessity of working through the institutions of representative democracy, broad popular support is a *necessary* condition for a plausible ruptural strategy, even if this is not a sufficient condition. While there have certainly been historical instances in which a rupture in political institutions occurred because a well-organized political force that did not have the support of a large majority of the population was able to “seize the time” and take advantage of a severely weakened state, this has not resulted in a subsequent trajectory of broad democratic social empowerment of the sort we have been exploring in this book. Throughout this analysis, therefore, I will assume that if a ruptural strategy is to be a central part of the construction of a robust socialism of social empowerment, then it would have to be supported by a substantial part of the population.

Third, I will assume, following the influential work of Adam Przeworski (1985:chapter --), that a necessary condition for broad, sustainable popular support is that socialism (however this is defined) will be in the all-things-considered material interests of most people.² This is not to imply that in struggles against capitalism moral commitments not directly connected to material interests aren’t important. They matter tremendously and help forge the solidarities and willingness to make sacrifices that are essential for collective action to be robust. Nevertheless, I will assume that while ideology and moral commitment may strengthen support for a radical rupture with capitalism, they build on a base of material interests; in the absence of such interests, ideological commitments would not by themselves be able to generate durable popular support.³ Socialism of whatever form will not be sustainable in the long run if the material conditions of life for most people are worse than under capitalism.

Ruptural Transformation and Transition Troughs

The key problem to sort out, then, is under what conditions is a ruptural strategy for socialism sufficiently in the material interests of the majority of people to render this a

¹ footnote on the moral issue of means & ends: unless the means are completely innocuous, only the ends can justify them. If the means in fact cannot plausibly lead to the ends for which they are intended, then they are unjustified.

² In this context, “material interests” should be understood in an expansive way to include leisure as well as consumption, quality of work as well as earnings.

³ The issue here is not the standard collective action problem of whether or not individuals will actively join a political struggle for such a rupture, but rather under what conditions people will see such a rupture as being in their *interests*. The pragmatic “collective action problem” of overcoming free-riding only becomes relevant if in fact people believe they would benefit from the success of the collective action.

plausible strategy of transformation. The material interests of people with respect any large project of social change involving a sharp rupture with existing institutions depends upon three key parameters:

- 1) The trajectory of their material wellbeing in the absence of the rupture. This is what life would look like if the existing structures of power and privileged continued.
- 2) The trajectory of their material wellbeing after the period of rupture is over and the new institutions are fully in place and functioning effectively.
- 3) The trajectory of their interests during the period between the initiation of the rupture and the new institutional equilibrium. Given that under any plausible scenario a rupture with the existing economic structure is likely to be highly disruptive this period of transition will almost certainly involve a significant decline in average material conditions of life. Adam Przeworski thus dubs this part of the long term trajectory of material conditions the “transition trough.”

A simple representation of these trajectories in developed capitalism, derived from the work of Adam Przeworski, (1985:XXX) looks something like the pictures in Figures 8.1 and 8.2. Figure 8.1 presents a hypothetical trajectory of the level of material wellbeing of the median person from the past to the present and into the future within capitalist society. From the standpoint of the present moment, of course, the future is uncertain. But let us assume that the most likely trajectory of standards of living for the median person in developed countries is flat or slowly rising.⁴ This prediction could certainly be wrong. It is possible that at some point in the future for a variety of reasons – economic crises, ecological deterioration, technologically-induced unemployment, etc. – standards of living for most people could significantly fall, and if this were to occur, the analysis which follows would need to be modified. But let us assume here that standard of living for the average person either will be constant or will slowly rise.

-- Figure 8.1 about here --

The question, then, is this: what would be the likely trajectory of material conditions of life *if there was a successful ruptural strategy for a socialist transformation*? Let us examine this problem under a relatively optimistic scenario. Suppose that through a democratic process an emancipatory socialist party were to gain control of the state and had sufficient power to launch a serious program of socialist transformation, either in the sense of implementing the full agenda of social empowerment institutions we have discussed or in the narrower sense of pursuing a democratic version of a statist socialist program of state ownership and control of the most important economic organizations. Also let us suppose that this does not meet with violent resistance from social forces opposed to socialism. There is no armed counterrevolution. We are therefore making quite optimistic assumptions: a socialist party is elected through democratic means, it has sufficient power to enact and implement a serious program of socialist transformation, and while it may face problems of disinvestment and incentive failures of various sorts, it

⁴ It is important to note here that even in a period of prolonged stagnation of average wages, the standard of living of most individuals still tends to rise over time because of the positive age profile of earnings. In recent decades in the United States while median earnings have stagnated, the median person’s earnings still increased over the course of their work life.

does not confront violent opposition in the form of a counter-revolution. We are thus examining the problems with a ruptural strategy under quite favorable conditions. What would happen to the material welfare of the average person? Figure 8.2 indicates three general possibilities.

-- Figure 8.2 --

The “socialist fantasy path” imagines that a rupture with capitalism immediately brings with it an improvement in the material conditions of life of the median person in the society. Either there is no significant economic disruption, or the immediate gains from redistribution are so large as to swamp whatever short term economic decline occurs due to the disruptions of rapid institutional change. This path is unrealistic, at least in a complex, developed capitalist economy. Even if it is the case that the material conditions of life of ordinary people would be much better in a socialist economy, it is not plausible that a ruptural transition from capitalism would instantly improve things.

The “pessimistic path” is predicted by anti-socialists. The disruption of capitalist mechanisms causes an economic collapse, but the system never recovers and the new equilibrium is permanently below what it would have been if capitalism had continued. If one believes in this path, then socialism is simply undesirable. The issue is not the costs of transition from capitalism to socialism, but the relative steady state economic performance of the two systems.

The “optimistic path” recognizes that any rupture with capitalism would necessarily entail significant economic disruption. Even if we assume that the rupture occurs under democratic conditions and that there is no violent resistance, any serious move towards socialism would trigger significant destruction of the incentive and information structures that animated economic coordination under capitalism. Supplier chains, systems of distribution, credit markets, pricing systems and many other pivotal elements of economic integration would be deeply disrupted. This would certainly precipitate a significant decline in production and standards of living for some period of time. The path is nevertheless optimistic for it predicts that eventually new processes of coordination are effectively installed, incentives are restored, and production and distribution under the new rules of the game institutionalized. As this happens conditions improve, eventually crossing the predicted trajectory of capitalism itself and moving towards a higher general level. The shaded area in the figure, then, constitutes the “transition trough” between the ruptural break with capitalism and the point where material conditions of life under socialism exceed that under the previous social order.

Let us assume that the most likely trajectory is some variant of the optimistic path. The key issue then becomes the size of the transition trough. Depending upon how deep and prolonged the transition trough is, it may not be in the interests of most people to support a ruptural path to socialism *even if they firmly believe that life would be better once the transition was weathered*. Interests must always be understood within specific time horizons, and if the transition trough continues for a sufficiently extended period it is unlikely to be seen by most people as in their material interests.

Furthermore, it is important to remember that from the perspective of the actors encountering a transition, the shape of these curves is not an empirical observation, but a

hypothesis about the future. The future is uncertain, and in any case such predictions are always based on highly contestable theoretical arguments. Even if these arguments are well founded, most people are unlikely to have unshakable confidence in them. In the period of the downward slope of the transition trough, as indicated in Figure 8.3, the empirical trajectories of the optimistic and pessimistic paths look very similar. As the economy declines people opposed to socialism will argue strenuously that the trajectory will continue downwards to catastrophe and that the transition should be reversed. Of course socialists will counter with arguments that eventually the economy will improve, but this may look like wishful thinking to most people if the transition is prolonged. In the midst of the transition trough, the observable trajectory of material conditions in the recent past looks rather like the predicted path of the antisocialist pessimists. The political coalition of supporters for a democratic ruptural transition to socialism, therefore, is likely to become increasingly fragile over time if the transition trough is relatively deep and prolonged.

-- Figure 8.3 about here --

The situation is actually likely to be even more precarious than this, for so far we have only looked at the trajectory of material interests of the median person. Let us suppose that there are two classes of people whose material interests would ultimately be broadly served by a successful transition to socialism. Let us call them the “working class” and the “middle class.”⁵ Let us suppose that in capitalism the middle class has in general a higher material standard of living than the working class and that this inequality is growing over time. Figure 8.4 indicates the nature of the transition troughs for these two classes of people in a ruptural transition to socialism. A ruptural transition to socialism under democratic conditions requires a broad coalition between the middle class and the working class, but the experience of transition is likely to be different for individuals in different parts of the coalition.⁶ Specifically, if the socialist government takes the egalitarian principles seriously, then the transition trough is likely to be deeper and longer for the middle class, even if they remain materially better off than workers throughout the process. This means that in addition to the general problem of a decline in political support in a prolonged transition trough, there is likely to be a particularly acute problem of middle class defections from the socialist coalition.

-- Figure 8.4 --

If these arguments are roughly correct, then if the transition trough resembles the general pattern suggested in Figures 8.2 and 8.4, it is unlikely that a ruptural transition to socialism would be sustainable *under democratic conditions*. Political support simply would not remain sufficiently strong and intact for a long enough period of time. This means that a democratically elected socialist government attempting to build socialist

⁵ I am using the term “middle class” here in a deliberately loose way. The issue is to distinguish, within the coalition of people whose lives would be improved by socialism and thus would support the goals, those people who are relatively advantaged within capitalism from those who are not. The precise definition of the middle class and working class does not matter for this specific purpose.

⁶ If one prefers an expansive concept of the working class, then the issue would be a coalition between the relatively advantaged and disadvantaged segments of the working class.

institutions through a ruptural strategy would either face political defeat in a subsequent election or, in order to stay the course and traverse the transition, would have to resort to undemocratic means. A turn to authoritarian party rule, however, would undermine the radical democratic egalitarianism of the institution-building project itself. The result is therefore more likely to be a transition to some form of authoritarian statism than a radically democratic form of social empowerment.⁷

Rejoinders

There are a number of possible replies to this generally pessimistic view of the possibility of a ruptural strategy. First, perhaps the transition trough simply will not be deep and prolonged. While the “fantasy path” may be unrealistic, perhaps the optimistic path is itself too pessimistic. If the duration of the trough were reasonably short, and especially if the upturn occurred relatively quickly, then a democratic coalition for transformation might remain intact.

Second, it might be argued, the projection of material conditions of life for people *under capitalism* is wrong. If developed capitalism were to enter a prolonged period of endemic crisis with long-term prospects of deterioration, then the likely transition trough out of capitalism might not look so bad. This is, of course, what Marx in part believed: In the long term capitalism undermines its own conditions for profitable accumulation with a resulting intensification of crisis tendencies. As illustrated in Figure 8.5, as crises deepen, transition troughs become shallower because the trajectory within capitalism becomes increasingly downward sloping.

Third, actors may be motivated for a transition to socialism by values other than material interests, and it is not necessarily the case that with respect to these other values a sharp transition trough would exist. For example, it is certainly possible that with respect to the values of democratic participation and community solidarity the very process of rupture and transition enhances their realization. Thus, if these values constituted a robust and powerful source of motivation for people, then it is possible that support for the socialist project over the course of even a prolonged trough in material conditions could be sustained.

None of these responses are, I believe, convincing. It is possible that the disruption of a rapid transformation of capitalist relations might be less than anticipated here, but the historical experience from patterns of disinvestment in the face of even mild state-initiated threats to capital suggest that the disruption is likely to be quite severe. It is also possible that capitalism will enter into a long term process of intensifying crisis and decline, but in the absence of a compelling theory of the mechanisms that generate such intensification, this is a purely speculative argument. And while motivations other than material interests are profoundly important for the struggle for human emancipation,

⁷ Some revolutionary socialists have believed that a turn to authoritarian one-party rule during a transition from capitalism need not destroy the possibility of the subsequent evolution of meaningful egalitarian democracy. Historical experience suggests that this is very unlikely: the concentration of power and unaccountability that accompanies the abrogation of democracy and the “rule of law” generates new rules of the game and institutional forms in which ruthlessness is rewarded, democratic values marginalized, and the kinds of autonomous capacities for collective action in civil society needed for democracy destroyed.

there is little historical evidence that these motivations could neutralize over an extended period the effects of a sharp economic decline accompanying a project of radical transformation of capitalism.

Large-scale ruptural strategies for constructing a democratic egalitarian socialism, therefore, seem implausible in the world in which we currently live, at least in the developed capitalist economies. If we wish to work for such a transformation, therefore, we need to think about some broadly different approach to the problem. The question becomes: is it possible to expand the space for new forms of social empowerment within capitalism? What are the limits on this process?

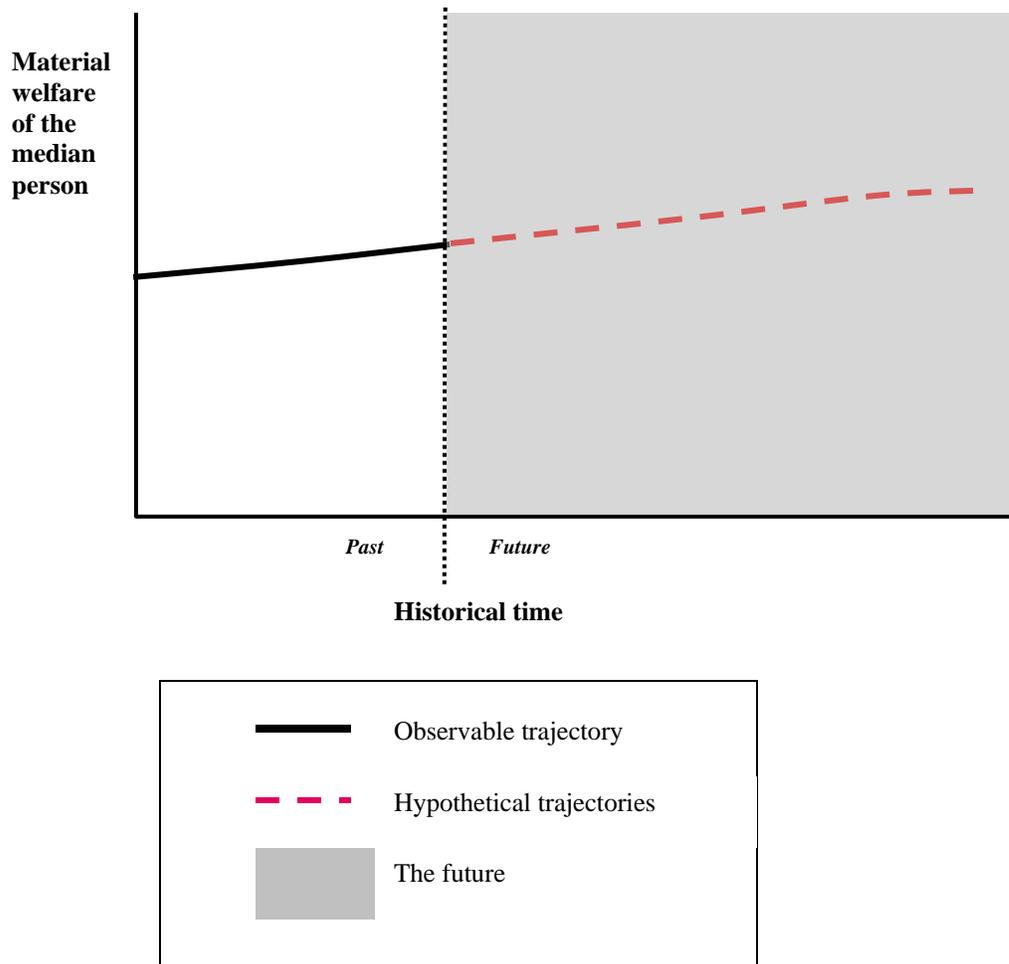


Figure 8.1
Hypothetical trajectory of material interests in developed capitalism

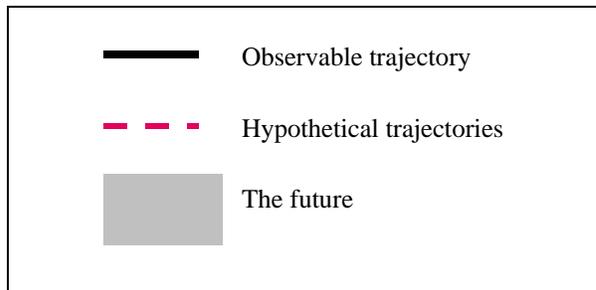
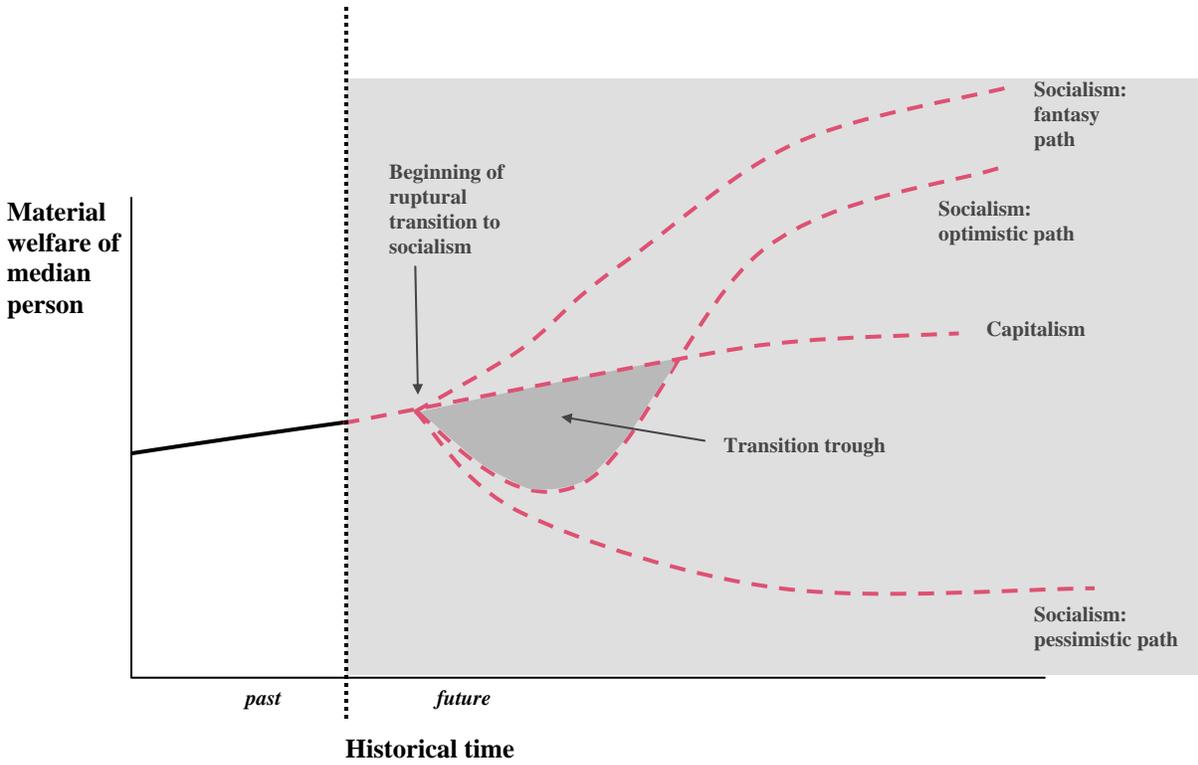


Figure 8.2
Socialist Rupture and Trajectories of Material Interests

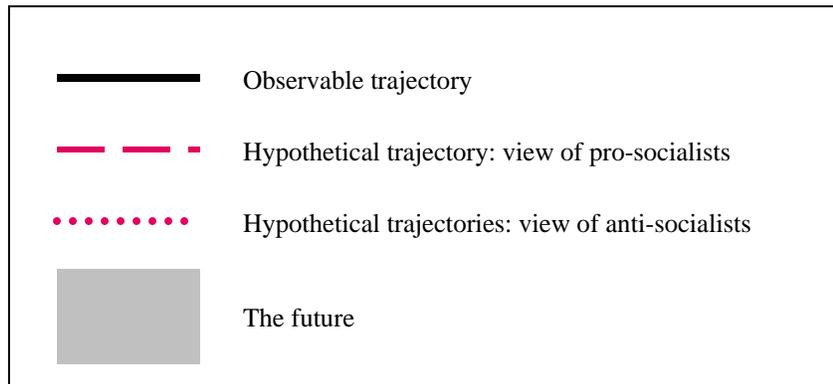
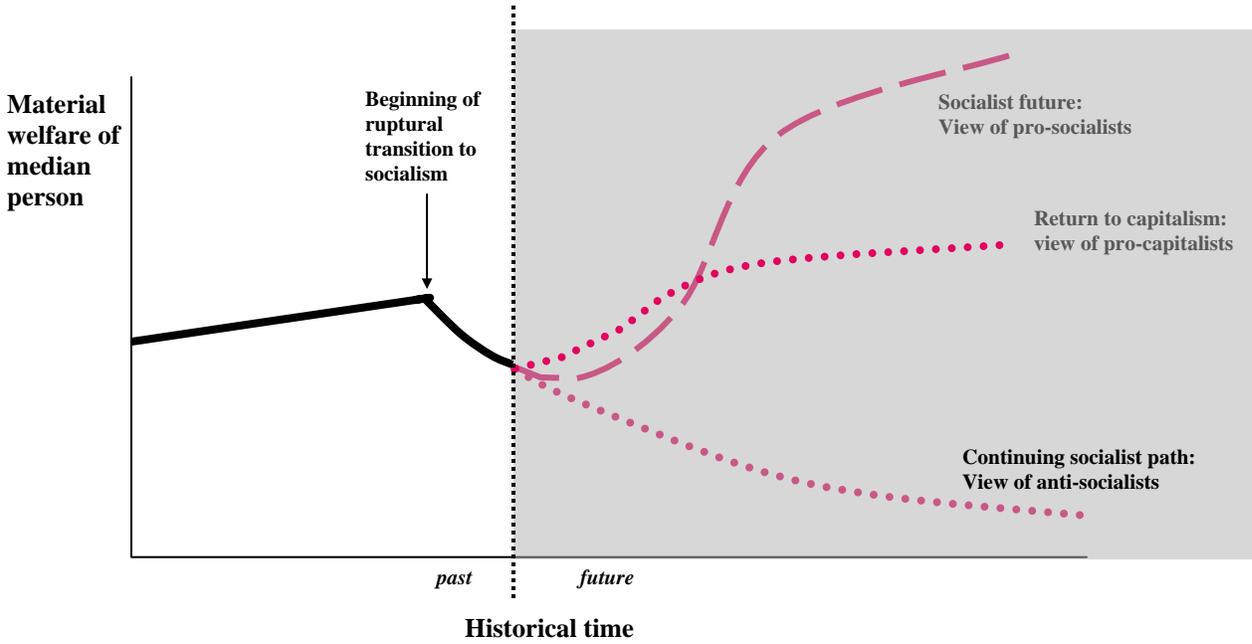


Figure 8.3
Projections into the future from part-way through a transition

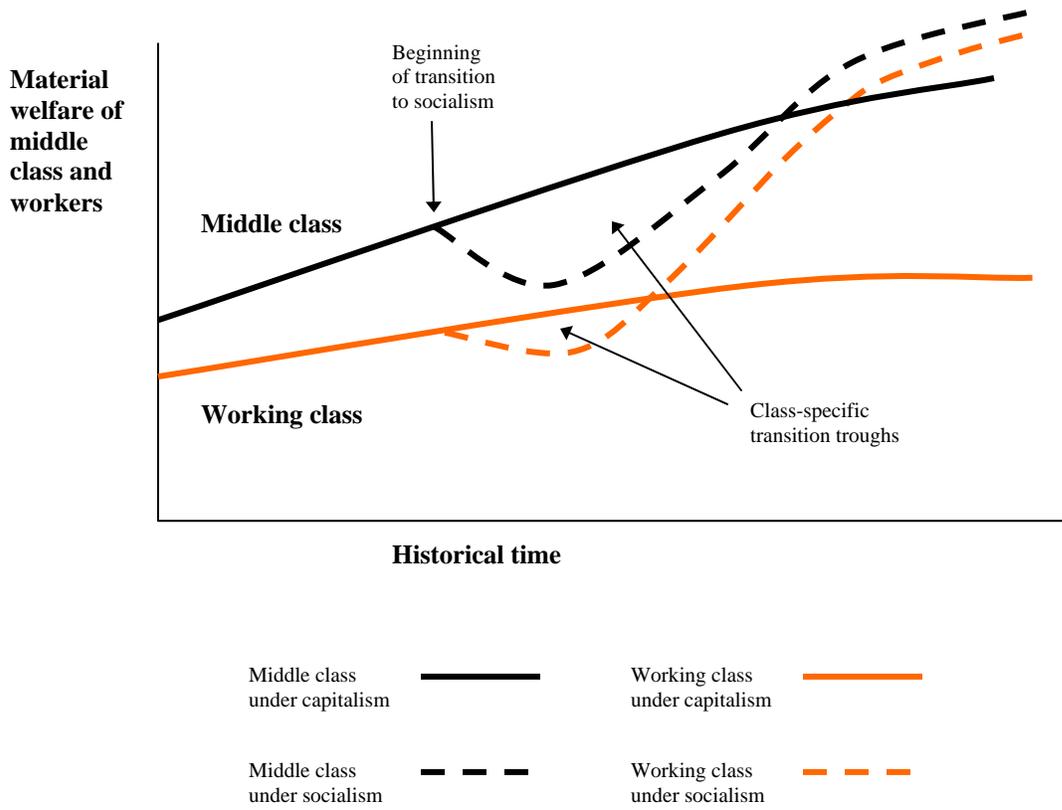


Figure 8.4
Class Variations in Trajectories of Material Interests

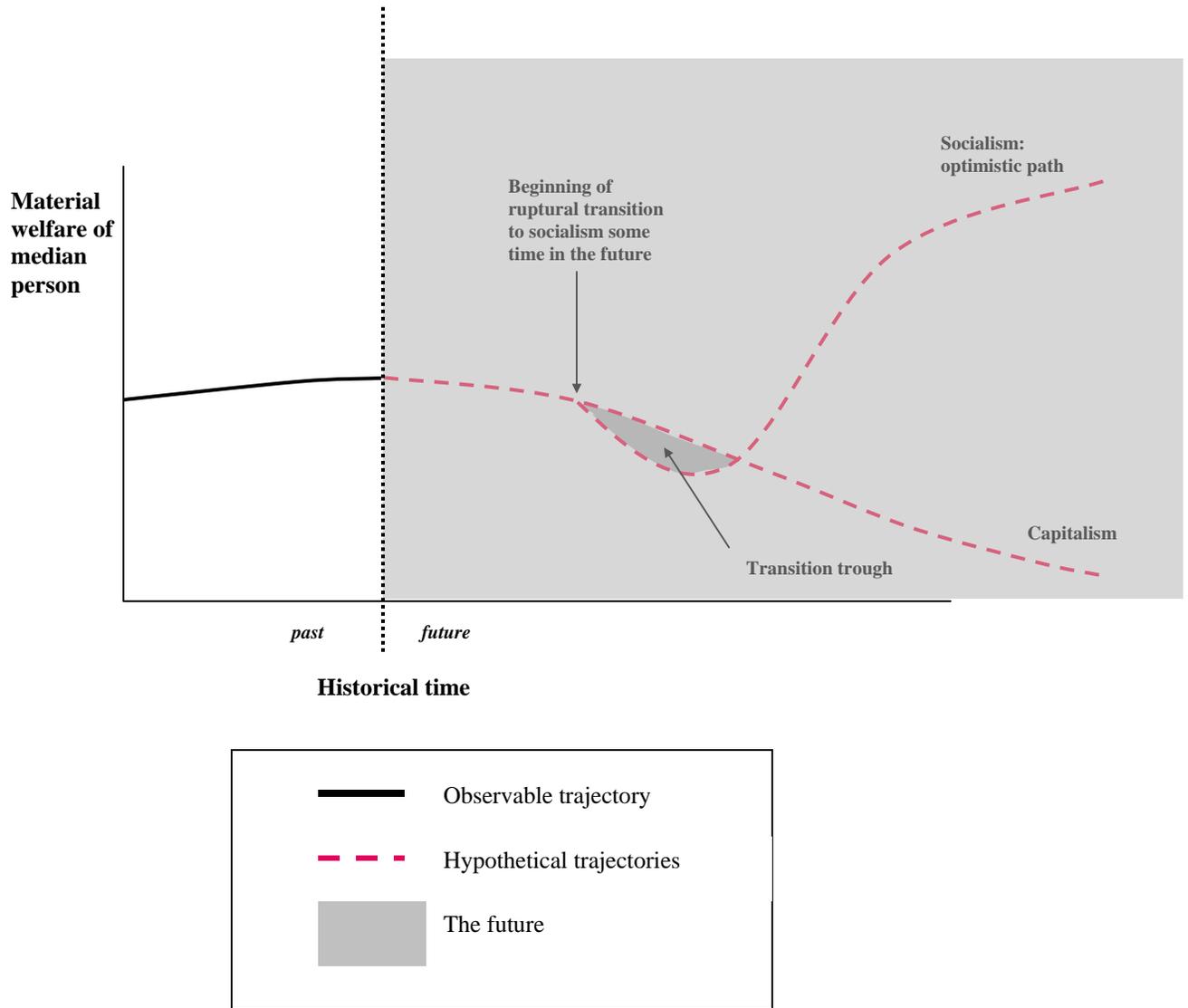


Figure 8.5
Socialist Rupture and Trajectories of Material Interests
under assumption of long term intensification of
capitalist crisis