

# Learning a Lesson: An Anarchist's Defense of Marxism Based Socialism<sup>1</sup>

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**Abstract:** Despite the presence of ideas in the style of Fukuyama's End of History and general belief in former socialist countries socialism was not a dead end in history. Marxism based societies were important vehicles of permanent changes in the field of social relations and education. The particular text analyzed in this article, J. B. Tito's Workers Manage Factories in Yugoslavia, shows not only remarkable insight into the problems of the Yugoslavian socialist state faced in the 1950's but contains elements that highlights the causes of stagnation in ideology. The same text can be helpful in search for future possible application of Marxist ideas.

**Keywords:** Marxism based societies, socialism, Tito, communism, anarchism

*The triumph of the West, of the Western idea, is evident first of all in the total exhaustion of viable systematic alternatives to Western liberalism. In the past decade, there have been unmistakable changes in the intellectual climate of the world's two largest communist countries, and the beginnings of significant reform movements in both. But this phenomenon extends beyond high politics and it can be seen also in the ineluctable spread of consumerist Western culture in such diverse contexts as the peasants' markets and color television sets now omnipresent throughout China, the cooperative restaurants and clothing stores opened in the past year in Moscow, the Beethoven piped into Japanese department stores, and the rock music enjoyed alike in Prague, Rangoon, and Tebran. [Fukiyama 1989]*

## Preliminary Remarks

Although after almost two decades the truth behind the words of Fukuyama can be questioned from different points of view, the words are more or less the expression of the genuine political atmosphere in the formerly socialist countries in Europe. What there is to say? Anarchists from Bakunin through Kropotkin and Nettlau up to the present never ceased to warn against the perils of centralized socialism. Thus, despite the revival in South America and the success of the Nepalese Maoists, the Marxism based socialism can safely be considered a dead end in history. Was it just an ill conceived and executed experiment better to be forgotten as soon as possible? Not quite.

In the present article I am arguing to the contrary. Marxism based socialism not only provided us with valuable experience, but may have a significant role to play in the future as one possible form of organization of the community. Many of the claims presented will clearly need further research to confirm them. On the other hand, I will try to build my arguments on one particular text, a speech delivered by Josip Broz Tito and also published as a pamphlet in 1950. By analyzing parts of the text, I intend to highlight the weaknesses of state socialism as practiced in the Soviet Union, some significant insight of Comrade Tito in understanding the mechanism of the Marxism based socialism, causes of failure of the Yugoslav model and finally some of the causes of

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<sup>1</sup> Dedicated to the memory of my father, Mihály Kovács (1943-2010)

collapse of the socialist systems throughout Europe. I will also argue that exactly the cause of failure can, in the near future, be transformed into a major reason for seriously considering the reintroduction of socialism worldwide.

### **Introduction: Human Dignity and Value**

The countries in Europe adapting Marxism based socialist systems after the Second World War were, with the exception of industrialized Czechoslovakia (even there mainly the Czech parts), among the most backward on the continent. Hungary, for example, was one of the last countries to abolish serfdom in the late 19th century. The need for development and the backward state of another country, Yugoslavia was acknowledged by Tito himself (Tito 1950). Even a cursory glance at the pre-war literature from any of these countries will show that the backwardness was more than only underdevelopment of industry. The attitudes of the ruling classes were expressed by István Tisza, a Hungarian politician before and during the First World War: “We cannot change the order of the world, an order according to which not every man can possess capital, financial or landed” (Romsics 1998/99:50).

Humiliating treatment of peasants, workers, and the poor generally, was commonplace. After the socialist revolution, all this changed. The following excerpt from Orwell, although originally describing the situation in Barcelona in 1936 could equally apply to any of those European countries where the communists took over:

Waiters and shop-walkers looked you in the face and treated you as an equal. Servile and even ceremonial forms of speech had temporarily disappeared. Nobody said ‘Senor’ or ‘Don’ or even ‘Usted’; everyone called everyone else ‘Comrade’ or ‘Thou’, and said ‘Salud!’ instead of ‘Buenos dias’.  
[Orwell 1938]

It is hard to grasp the full meaning of the change when looking back from the 21st century. Not only will it be impossible in the aforementioned countries to return to the forms of social interaction that were acceptable before, but (although this is a claim that would require further investigation) it is highly prob-

able that the altered attitude contributed significantly to the more liberal atmosphere gradually emerging in Western Europe. All of a sudden ordinary workers were, at least in theory, considered capable of managing complicated enterprises and making decisions.

Another field where a Marxist approach made irreversible changes is education. Without exception in pre-war Eastern Europe education was dominated by religion. Again, from the present perspective, when most traditional churches engage in human rights activities and there is even a comparatively widespread pairing of Marxism and religion in the form of liberation theology, it is difficult to imagine a world where the almost exclusive task of religion was to maintain the status quo.<sup>2</sup> In pre-war Hungary, for example, the Catholic Church was markedly statist, speaking for organizing the whole society along the lines of feudal estates (Illés 2004). Granted that during the five decades of socialism some rights of religious groups were not fully respected, nevertheless the reorganization of education on purely secular basis with emphasis on a scientific approach was a significant advance with positive effects stretching into the future.

### **Workers Manage Factories: A Speech and Pamphlet by Tito**

The speech, delivered on 26th of June 1950 on the occasion of passing the law of the Workers’ Collectives managing economic enterprises, was aimed at highlighting the ideological aspects of the law, its significance in developing Socialism (Tito 1950).

The break with the Soviet Union in 1948 and the subsequent antagonism between the two countries undoubtedly caused the Yugoslav communists to put even more emphasis on the indigenous nature of their concept of socialism, but there is no reason to question their sincerity in developing the system they perceived as one eventually leading to higher stage of communism.

<sup>2</sup> Another interesting question requiring further attention is the role of the church. From the medieval and renaissance times, when the church recognized the right to remove a tyrant and attempted to speak against slavery and exploitation of the native Americans to the mostly reactionary role during the 19<sup>th</sup> century society is not well known at the present

Tito in his speech emphasized Marxism not as a stereotype given once and for all but a science that is possible to be utilized in different conditions by different agents. In fact, imitating others can have dangerous consequences, especially if the model imitated has serious shortcomings. “Replanting” readymade solutions from Stalin’s Soviet Union before 1948 — some that were not “in the spirit of the science of Marxism- Leninism” — had the consequence that some elements of the society found the old practices difficult to abandon out of sheer habit, even after the decision was made to follow Marxism adapted to specific conditions.<sup>3</sup>

Tito speaks here clearly about the management of the factories by state appointed officials, a practice followed in Yugoslavia before June 1950. There were some communists in Tito’s vicinity who considered the workers unable to master “the complicated technique of running factories.” The “stereotyped ideas” were actually present in Yugoslavia only for about three years, but Tito rightly observed that old habits die hard. For more than thirty years communists (and to some extent all progressive elements) looked to the Soviet Union as the example of socialism in practice. It was understandable to follow their policies in the years subsequent to World War Two, since there were no other long term examples. But blind following had serious pitfalls: The Soviets were, as Tito clearly realized, stuck in a very early stage of socialism, a stage where the state controlled all the means of production. Every other country imitating the Soviet Union was in danger of falling into the trap of these habits and failing to move further in developing a socialist society.

There was hardly a communist at that date who would straightforwardly deny the need to hand over the factories to the workers. There was, however, disagreement as to when this should happen. Tito saw the problem of claiming changes prematurely and realized that waiting would only strengthen the already existing practice of tight state control. Thus he rightly pressed the issue of handing over the control of economic enterprises to workers (although, as we will see, Yugoslavia stopped halfway too). His observation, that “dictation and stereotypes have in

the past and today, too, been the main reason for weakness of progressive movements” is as true today as then.

“The proletariat needs only the state which is withering away.”<sup>4</sup> The capitalist society needs the state permanently to keep “the exploited classes in subjection.” Although from a modern perspective the second part of the sentence is open to suspicion, as it would be more satisfactory to say that the state guards the interests of the capital rather than keeps it in submission, the necessity of the state to capitalism is essentially true. What Tito and his colleagues envisioned was that, by gradually handing over the functions of the state starting with economic functions, the state apparatus would through development become unnecessary. In socialist societies where the state owns the means of production, the workers’ position differs very little from their role in capitalist society as long as enterprises are managed by civil servants. Nationalization will in itself not solve the alienation of workers without their involvement in control. If the state owns the factories and the situation is maintained for a longer time, “many inconveniences ... might crop up ... over a long period of time,” even if at one point the best workers are appointed managers and directors. Stagnation and settling into a routine for long period will make future changes difficult.

Unfortunately gradual change became a problem also for Yugoslavia. The basic idea of the new law was to draw workers gradually into management, the final goal being the situation where exclusively “the workers will manage those factories and mines in our country.” Workers would decide on the duration of the working day as well as on the exact methods of production. This state would, according to Tito, be an already higher stage of socialism, practically a direct route to communism. It is impossible to disagree with the Marshall of Yugoslavia on this idea, for a society where workers would really be in charge of enterprises constitutes according to any reasonable progressive standard a desirable situation. Interestingly, although Tito in the beginning of his speech correctly pointed out the dangers of

3 All citations, unless otherwise indicated, are from Tito 1950.

4 Interestingly, Tito quoted Marx through Lenin’s State and Revolution.

waiting too long before realizing in practice steps pertaining to development according to Marxism, no timetable was proposed for the complete handover of enterprises.

Articles 23 and 27 of the new law deal with the workers' councils and management boards respectively. Without going into details, the task of the workers' councils was to make the final decisions on most aspects of running the enterprise, while the management board was the body that did the practical planning and execution of the plans. The workers' council was the superior; it could elect, change or recall the management board or its individual members. Gradual involvement of workers would mean that initially the management boards would be made up of people already having experience in management and in practice this meant the former state appointed officials. Being on the management board was a full time job, while the workers' councils were just that, made up of workers employed in the enterprise. Tito already realized an inherent danger in the system, for he warned about the dangers of bureaucracy, but he optimistically believed that the complete turnover would eventually be successful and the "infectious disease" would not be able to take hold.

It all came out rather differently. Instead of having more and more workers joining the management board, the field gradually became professionalized. Since there was no agreed timetable, there was no need to hurry with the changes; people settled into routines and accepted the fact that the enterprises were run by technocrats. True, these professionals were appointed by the workers' councils, but the process became more and more a formality. As time went on, only people educated in economics, law or related fields could get appointed to be managers and the two groups, council and board, became two worlds apart. Approving proposals from the management board by the workers' council was considered almost an automatic process. Despite the promising plans the situation became petrified and after a few decades it was impossible to move on. The exact words Tito used to describe the problem with the Soviet style economy could have been applied one more time: "These stereotyped ideas took hold willy-

nily and it is hard for our people to shed them now even if they want to." The increasing presence of professional managers was, partly at least, due to the liberalization of the Yugoslavian economy. The process signified a considerable problem, as in effect the Yugoslav system became a blend of bureaucratic socialism and liberal capitalism, an idea very far from Tito's original intentions of 1950. Liberalization also resulted in an increase of the unemployment rate. At the same time the bureaucracies of the state and the communist party became stronger and the bureaucratic apparatus more massive despite the progressive Constitution from 1963 (Ustav 1963). These negative tendencies became evident by the late sixties and at least partly the protests in 1968 were directed against these regressions (Kalik 2008).

Good ideas were once more applied uniformly without regard for specific regional conditions and needs, let alone the desires of local workers. Although this time the ideas were put into practice in the territory of a single state, there was no real difference between this and applying ideas stereotypically over borders. First and foremost, the concept of the modern state is very much bourgeois in origin and from a Marxist point of view it could be considered an artificial construct serving the capital. As such, there is no reason to consider its territory as necessarily asking for uniform practice except in limited cases such as defense and possibly diplomacy. Second, Yugoslavia was far from a uniform national state, with different regions having different degrees of industrialization, different cultural and religious background, etc. It is amazing that despite the sharp analysis of Tito about the absurdity of different states following exactly the same model of Marxism, he and his coworkers failed to apply the same analysis at home and proceeded with decentralization by the creation of socialist republics with uniform practice.

### **Seeds of Destruction**

Tito identified another problem of the Yugoslavian socialist society of 1950s: The shortage of consumer goods as compared to the West. It was an uncomfortable situation that the new socialist state lacked many things, especially luxury items, while "the stores in the West are full of things." In June 1950 Tito in

his speech could offer comfort to the workers in the form of pointing out that the consumer goods and luxury items were available only to relatively few in the West too. In addition, at that time the optimism about the abilities of the society after the passing of the law about management to catch up with the West seemed justified. It looked like increasing productivity and producing quality goods equaling those produced in the bourgeois societies depended only “on how hard they work” and “on everyone’s giving something of himself” to fulfill the Five Year Plan.

Even though the socialist Yugoslavia made giant leaps of development if compared to the pre-war kingdom, even if genuine attempts were made in order to diminish the difference in development of various parts of the country, the luxury items and consumer goods from the West remained high on the list of desired items of the citizens. While in the early 1950s one could seriously talk about western society making the quality goods available to only a few, later the situation changed drastically. The abundance of consumer goods became available to practically every person living in the West and not only to citizens of the state in question. Substantial numbers of Yugoslavian citizens went to work in the West in the two subsequent decades, especially to the Federal Republic of Germany. When they came back, their fellow citizens looked with envy to the houses they built and the items they possessed. Most of the people earning their living in Germany were ordinary workers, and thus the argument about luxury being available to only a few of the elite was simply not possible any more. While there were luxury items available in Yugoslavia and some were even made in the country (for example Coca-Cola and Marlboro), almost without exception imported items or items acquired from the West were preferred. The superabundance of stuff in a Western supermarket was an ideal for many citizens and it became clear that the socialist economy, although satisfying the needs of almost everyone beyond simple basics, could not compete with capitalist economies in quality and quantity. The alleged higher quality and factual greater variety of consumer goods in the Western countries plagued the socialist economies right to the very end. It is even conceivable that the main rea-

son for the citizens of any socialist country secretly or openly admiring the West and wishing for change was the problem of consumer goods.<sup>5</sup> It eventually became clear to practically everyone that socialist societies could not compete with their capitalist counterparts in quantity of production. There is nothing contrary to logic or common sense here. Clearly, the capitalist’s desire for profit will prompt him to organize the production very effectively, frequently disregarding the interest of the labourer.<sup>6</sup> Although this was a real disadvantage for socialism in the past, the future could be rather different and disadvantage could turn into advantage.

### The Future

At present it is becoming increasingly clear that the global economy cannot continue the way it has been conducted so far. Global warming and a number of related and unrelated environmental problems are finally being taken seriously, while the sensitivity of the financial market witnessed lately makes it likely, if not inevitable, that a major breakdown will occur in the near future. The environment will simply not be able to take the load caused by overabundant production of unnecessary luxury items, the irresponsible use of energy and overpopulation. Coupled with problems arising from the decay of the environment, hopefully people will at one point be ready to put an end to reckless speculations on financial markets, or even better, the markets themselves. In such a situation, presumably in the near future, the lessons learned from decades of socialist governments could be put into practice. First, territorial autonomy not based on any existing borders but on free associations. Second, the quick and effective handing over of enterprises to workers, not necessarily immediately (although from an anarchist perspective this would be the best solution) but according to the agreement between the locals and with a clear timetable. In the new situation, if and when envi-

5 A preliminary survey of c.100 individuals in Serbia and Hungary indicate that open admiration of Western luxury was a factor in dissatisfaction. Further, a large survey is nevertheless required in the future.

6 An alternative explanation for the abundance of luxury goods in the west is the theory of labor aristocracies. This theory, however, is not unanimously accepted even among Marxists. For contemporary criticism (Marxist), see Post 2006.

ronmental awareness finally rises to the level where unnecessary items are not produced, such economy would be ideal. Practice has proven that a socialist economy can produce, at least in the Yugoslav case, sufficient basic goods and even modest amounts of luxury. Without the greed for profit, such production would be sufficient. Needless to say, all this would presuppose the general radical socialist idea of abolishing the power of global capital. It also presupposes the cooperation of progressive elements, communists, anarchists and the rest.

How, in practice, such society could be built? There are many possibilities, as long as we keep in mind lessons learned from the past. One option would be to follow the three objectives of the anarcho-syndicalist Rocker (1938):

1. Organization of the plants by the producers
2. Organization of total production by industrial and agricultural alliances
3. Organization of consumption by syndicates

The effectiveness of this type of system was demonstrated in Catalonia during the Spanish Civil War. The same war also pointed out the inherent weaknesses: the society lacked effective measures of defense.

Or, more in the spirit of Marxist tradition, to extract the clues from several documents of the Yugoslav experiment. The program of SKJ (the Communist party of Yugoslavia) from 1958 and the aforementioned Constitution from 1963 were both direct descendants of the ideas of self-management expressed in the pamphlet of Tito. It is perfectly sound to argue that without the liberalization of the economy and after proper dealing with nationalistic tendencies lurking under the surface the self-managing socialism of Tito could succeed.

Even better would be a solution that would combine without prejudice the valuable ideas of different traditions. After all, there is a significant overlapping of objectives in anarcho-syndicalism and self-managing socialism. Naturally, it would take a lot of education before a new social order could be put into practice. And education is mostly about learning lessons.

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