

SOCIAL WAGE OR SOCIALISM?

Why I Can't Support the Redstockings Social Wage Project

Our moment is one of defeat for the powerful social and political movements that shaped the 20th century (workers', socialist, and national liberation) ...a moment of defeat not yet surpassed.

— Samir Amin, "Empire and Multitude" in *Monthly Review*, November 20, 2005

TO: Redstockings Social Wage Project

FROM: Carol Hanisch

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Below is an attempt to finally get down some of my thoughts about why I'm not supporting the Redstockings Social Wage Project, despite all your persistent phone calls, postcards and e-mails. Since I've discussed at length with several of you my objections to feminists organizing independently on such issues as universal health insurance, I won't go into that issue here. Rather, I want to make clear my political difference with the Redstockings "social wage" strategy from a socialist perspective.

When "Women's Liberation & National Health Care: Confronting the Myth of America" first came out, I found the heavy emphasis on the "Myth America" slogan disconcerting for a variety of reasons. Given what seemed to me a fair amount of coverage of comparisons in the media, I thought it was no longer such a myth (at least among people who pay attention to the news) that other "developed" countries had many more social benefits than we did (though I thought pulling them together in a booklet was useful and there was information in it that I hadn't known). Moreover, I suspected the reason we didn't have better social supports was due to more than the popular belief in America's social superiority—true, awful, and however rampant those beliefs might be.

I was more deeply disturbed by the reversion to the old European idea of "social wage." At best, it seemed archaic, out-of-date language that was hard to relate to. More importantly, it looked backward to a failing, liberal European Social Democracy instead of forward to a socialist/communist world. The absence of almost any reference to socialism as something to aspire to—including Cuba, a poor country by U.S. standards which has provided good quality universal healthcare and education for its entire population—was a bit shocking. Even well-to-do Europeans have been known to travel to Cuba for healthcare. Also there was little challenge in the Redstockings analysis to the cost, organization, or safety of capitalist health care, only to how it gets paid for.

As post-9/11 events, including the last election, have brought American imperialism to the forefront of my thought-burner—and as a lull in my work recently has given me a bit of the luxury of being able to investigate and think a little more deeply—I hope to be able to place our differences in the context of what I see as similar errors running rampant on the Left to the detriment of any possible socialist/communist future.

The Social Wage and the European Countries

In the "Myth of America" booklet and in its current organizing, Redstockings encourages women to look to the "social wage" models in the liberal democracies of Europe for inspiration and guidance with the message that *"If they could do it, so can we. The main thing holding us back is our ignorance of this precedent. If Americans, especially women, only knew about how far we lag behind, they'd be up in arms."* On the surface, this seems reasonable enough, but I think there are other considerations.

The first is that using the European "social wage" as the focus, even as the name of the project, seems ignorant of the current situation in which these European countries are having a hard time holding onto their social programs:

In different European countries we have seen retrenchments in welfare provisions such as reduced sick pay and pensions, cuts in

unemployment benefits, higher use fees in public education, nursery schools, and health and social services, and the abolition of nonprofit housing projects. Working conditions have worsened through the undermining of labor laws and agreements, including the weakening of working hours regulations, the reduction of overtime pay, the reintroduction of shift work in many industries, reduced job security, more temporary short contract jobs, more use of contract and leased workers, and more decentralized bargaining. (*European Labor: The Ideological Legacy of the Social Pact* by Asbjørn Wahl, *Monthly Review*, January, 2005)

This development is not exactly a compelling argument for following in European Social Wage footsteps.

The world is not the same as when the social wage programs were put into existence in Europe. Those concessions were the result of a confluence of a period of strong capitalist growth and the pressure put on capitalist governments by the victories of socialist revolutions plus a growing and militant pro-socialist tendency of their own labor forces. With the triumph of the recent counter-revolutions, especially in the Soviet Union and China, combined with the current global capitalist crisis, the pressure to slice off the European “social wage” and follow the U.S. example is increasing. Socialism can’t be built on the example of the social welfare state when the social welfare state was (successfully) put in place to STOP the advance toward socialism.

It’s a little like when we got the abortion reform of *Roe V. Wade* but not the right for women to control our own reproduction that we were fighting for. The *Roe V. Wade* reform, based on privacy instead of women’s rights, effectively stopped the movement for repeal dead in its tracks, and we’ve been on the defensive ever since trying to hang onto the limited advance of *Roe*. Meanwhile there are millions of women across the country—particularly but not only in rural areas—who have no access to safe, legal abortion, *Roe* or no *Roe*. Because of the liberal takeover of the WLM, including the abortion movement, “choice” replaced “free abortion on demand” in the same way that the “social wage” replaced “socialism” in Europe.

Wahl, a Norwegian trade union official, explains how the European Social Wage came about:

It is important to realize that this social partnership between labor and capital was a result of the actual strength of the trade unions and the labor movement. The employers and their organizations came to see that they were not able to defeat the trade unions. They had to recognize them as representatives of the workers and negotiate with them. In other words, the peaceful accommodation between labor and capital rested on a strong labor movement. Another important factor in the post-Second World War period was that capitalism experienced more than twenty years of stable and strong economic growth. This made it possible to share the dividend among labor, capital, and public welfare.

In a critique of the Swedish Social Democrats, “Sweden: The Model that Never Was” (*Monthly Review*, July-August 1994), Peter Cohen recounts the relationship between a successful social wage program and capitalist growth in a capitalist country:

The improvement in the condition of a substantial portion of the Swedish working class over a relatively short period (1960-1985) can be traced to the same factors that generated the Beveridge Report, which was the basis for the family allowances and the state social insurance scheme developed in the United Kingdom during the 1940s. Lord Beveridge and his advisers understood that a higher standard of health care for workers means less “absenteeism,” lower employee turnover and higher productivity, which means greater profits. The Report does not of course use the term “surplus value.” Beveridge pointed out that social benefits can be financed out of the increase in profits/surplus value. The same social benefits also help to counteract the effects of pressure from the militant left for more fundamental changes in production relations, and the Beveridge Report is quite clear on this point.

However, maintaining a high level of social benefits under capitalism requires a sustained ability to realize the increment in surplus value generated by higher productivity, which means that the system must show long-term growth in terms of sales and markets. The expansion of social benefits in Sweden from the late 1950s through the late 1970s was predicated on the assumption that the system would continue to grow, and that it would remain a capitalist system.

Since the SAP [Sweden's Social Democratic party] simultaneously accepts capitalism and claims to represent the working class, it is obliged to deny capitalism's fundamental contradictions: The party has therefore consistently refused to discuss the key question in production relations—who should own and manage the production system.

This denial was obvious at a very early stage and it helps to explain the eagerness with which Swedish capital has collaborated with the party. This is especially true because the Social Democrats have always been willing to take on the task of explaining that the party's basic premise naturally requires the working class to accept cutbacks—of all types—when corporate profits decline, and even when they don't.

The current erosion of public finances...is due to the capitalist crisis. When the system shows low or negative growth, the portion of surplus value that has been recirculated in the form of social benefits must be recovered by the capitalist class, even at the risk of open conflict. Recovery takes the form of cutbacks in social benefits and simultaneous plundering of the public purse, including privatization of public services and sales of public assets at bargain prices.

This is illustrated by a new pension scheme elaborated by the SAP in collaboration with the right-wing Swedish Conservative Party (*Moderatasamlingspartiet*). The scheme makes drastic changes in the current method for payment of pension contributions, which become the responsibility of the worker, not the employer. Among other things, this means that each day of unemployment over a forty-year period results in a reduction of the worker's final pension. Both the SAP and the conservatives have boasted happily that the new scheme ties the size of pensions to the rate of growth in the national economy. RIP, Lord Beveridge! ...

Determined efforts by the ruling class to recover the surplus value represented by social benefits have been in evidence for some years in every country in Western Europe.

There is evidence that the lower end of the working class and the poor who most depend on the social wage, even in the welfare states of Europe, are often

left behind when capital seeks to maintain itself by dipping into the social wage. We have seen this happen in the U.S., for example, with Reaganomics and "trickle down," then with the "end of welfare as we know it" under Clinton, and then with the Bush administration's further cutbacks and drive to privatize Social Security, which most certainly would pull the rug out from under the working poor who already benefit less from the system than do their middle class counterparts.

This problem is also looming in Europe. For instance, in Germany:

[W]ill the hollowing out of the basic institutions of the welfare state over the past three decades lead to their eventual abolition? ... The social integration of the majority of working people brought about by the welfare state might be replaced by the exclusion of more and more people from what was previously understood to be their rightful share of collectively-produced wealth. From a set of institutions that integrated the working class into the capitalist system while raising the social standards for workers, ***the welfare state might become an apparatus to defend the privileges of a new middle class that has developed as a byproduct of this very system. ...***

While its institutional setting might remain in place, the character of the welfare state appears to be changing from one which guaranteed social security, ***albeit at very different levels, to the vast majority of the population, to a polarizing system, where the privileges of the middle class and the highest strata of the working class are maintained at the expense of the working poor, the unemployed, and a growing number of pensioners*** [emphasis mine]. (*"German Labor: New Challenges, New Initiatives," Ingo Schmidt, Monthly Review, September 2005*)

The Social Wage and Imperialism

Some trade unions have almost been begging hostile employers for a return to the social pact. This policy has been fueled by the strong national orientation of the trade union movement. Rather than reorienting themselves

towards confronting the now more aggressive capital interests, the narrow national orientation and the social partnership ideology of the unions have led much of the trade union movement into an alliance with, and consequently a subordination to, “national” capital’s struggle to be internationally competitive. In Germany, the term “Standort Wettbewerb” is used to mean not only union alliances with German companies but support for the German state in Germany’s competition with other nations.

— Asbjørn Wahl, Norwegian trade union official

Another consideration of following the European Social Wage path is that the world economic order has made a seismic shift in the past 30 or so years to more corporate power and less people power, both in the U.S. and around the world (with a few notable exceptions). The Ugly American imperialist has become uglier and stronger, at least militarily, and dead set on preserving himself by his capitalist appetites at all costs. This situation is not just the electoral victory of the reactionary Bushites, but of the capitalist suppression of the socialist precedent.

The Redstockings Social Wage project is an example of how the Left has moved toward the Right and forgotten what its job is. The welfare states of Europe came out of the struggles and victories of socialism, but socialists worth their salt did not make the social welfare state their goal. It’s past time that we Americans who have benefited off the imperialist booty of “our” country’s world plunder (and that’s been ALL of us in the U.S.), “do our share” of the fight for socialism.

It’s not enough to raise consciousness about how Americans—or women in particular—are worse off than in other capitalist countries. We also have to raise consciousness that the root of the progress in those countries came out of socialism’s victory over capitalism in some key countries, not out of a kinder capitalist “welfare state” or even isolated “people’s struggles.”

There is also the question of how the demand for more social wage concessions from capitalism in the imperialist U.S. affects the working class and poor of the world and how that affects any possibility of future international solidarity (as in “workers of all countries, unite”), which is becoming increasingly crucial.

As Cohen points out about Sweden, “*The SAP cooperates eagerly with Swedish capitalists in their efforts to maximize the return on investments in the neocolonies, particularly in Latin America, the Middle East, and southeast Asia, as does LO (Landsorganisationen), which is the Swedish equivalent of the British Trade Union Council and is intimately connected with the party.*” The exploitation of cheap labor in Eastern Europe by Western Europe should also be added to his list.

According to Cohen, the SAP and the LO (national labor council) in Sweden:

- Supported a moratorium on loans to Chile after Allende’s election and contributed to the Pinochet government after the coup.
- Refused to support sanctions against apartheid South Africa.
- Refused to support the 1983 steelworkers strike in West Germany.
- Remained silent during the Thatcher attack on coal miners during their strike in the United Kingdom.
- Collaborated with the CIA during the Cold war.

Cohen also reminds us of the history of “staunch anti-communism” among Social Democrats in Europe, going back to the Russian Revolution of 1917:

The threat posed by the Communist movement to the owners of capital was and is the cement in the alliance between the SAP and the Swedish capitalists. Throughout the 1930s the SAP was openly hostile not only to Swedish Communists and the Soviet Union, but to anti-capitalist movements throughout Europe, if they threatened to disrupt the scared rights of property. Swedes who joined the International Brigade in Spain were guilty of a criminal act under Swedish law.... A large number of Swedish Communists were interred in Swedish concentration camps during the war until after the battle of Stalingrad....”

Let me be clear that I am not advocating that feminism be abandoned for a “more important” fight for socialism and against U.S. imperialism, but the situation is grave enough that it demands our attention when considering what kinds of projects and programs we put forth and that they be carried out with a consciousness of the global situation. That is, the desperate need for socialism.

The Social Wage and Political Power

The snag was that they [European Social Democrats and Communist Parties] opted for the so-called “historical compromise” when it had ceased to correspond to the historical phase, when the foundations on which it had rested were crumbling. A compromise is a matter of mutual concessions and the labor movement could claim quite a number of achievements. Now it was to be all give and no take. While the left, moving towards the center, was opting for class collaboration, the radicalized right issued a call to class war. (“Europe’s Crisis,” Daniel Singer, Monthly Review, July-August 1994)

The self-censoring (or was it even that?) of socialism from the Redstockings social wage analysis seems to be part of the current response of the Left to the many defeats of the last 30 years. The ranks of those willing to defend and advance socialism/communism—or radical feminism—have become smaller and smaller. Isolation—and its accompanying paralysis which many of us have been suffering from—gets confirmed in reality again and again as the list of “defectors” mounts and formerly radical organizations and individuals lose their sense of direction.

This is not just a matter of an individual “change of mind” on the part of many “lapsed socialists/communists” and “lapsed radical feminists.” The rationalization for defection is often a result of the world-wide swing to the Right. Fear and/or demoralization has been instilled in many a former “freedom fighter” by the rise of the Right and the stampede away from any association with what academics seem to call “actually lived socialism” of the past or present. To the fear of reprisal for one’s political positions and activities has been added the humiliation and frustration of being disdainfully dismissed by friends, colleagues and political co-workers for continuing to defend and support the gains of socialism/communism. Although this resignation/capitulation reaction is understandable, the inevitable and repeated failure to which it leads must be understood and fought against. Or as one of the many “on the mark” songs of the Civil Rights Movement reminds us to do: “Keep your eyes on the prize, hold on.”

It appears many have their eyes so firmly fixed on the frightening maneuvers of the Bush administration

and the Christian Right that they aren’t even aware that they have moved away from the Left in their desperate yearning for salvation from the other party of capital, the Democrats. It takes constant vigilance and discipline not to fall into the liberal camp, especially when things look so bleak for any alternative. Socialists/communists are in what World Forum Director Samir Amin has called “a moment of defeat not yet surpassed” and the confusion always inherent in such a defeat. The road of abandonment of socialist history and communist possibilities is not going to get us where we really want to go. Rather we need a sensible retreat to figure out how to get past our disarray and onto the big question of “what is to be done.” How to put socialism on the public agenda is where our minds should be.

It is the logic of our time

No subject for eternal verse

The we who lived by honest dreams

Defend the bad against the worse...

—British Poet Cecil Day-Lewis after WWI

The extent of the U.S. Left’s capitulation to capitalism became very apparent to me in the 2000 and 2004 elections when those who had formerly considered themselves to be “Left” poured millions of dollars and millions of hours of work directly into the Anybody But Bush campaign and strengthened the liberal party of capitalism. People who haven’t organized anything in years were out there beating the pavement and talking to voters, some even traveling to the “swing states” to do it. Money and labor that could have been used to build independent organizations or use existing organizations to explain to working people what is happening in the world and give some real leadership instead filled the coffers and voter rolls of the Democratic Party (including its front organizations such as MoveOn and the Working Families Party).

Perhaps this shouldn’t have been surprising given that so much of the visible U.S. Left is so very “middle class” and so very full of delusions about its intellectual and moral superiority. The virulent, blanket attacks on working people in the rural “Red States” as “redneck reactionary yokels” and “Christian fundamentalists” who are to be feared and belittled rather than organized stands in rather stark contrast to the experiences and beliefs of many of us who organized among the poor and working classes in the

'60s and '70s.

Part of the reason for the dwindling Left consciousness of its mission is that the repression of communists in the U.S. has led to suppression of the knowledge of their leadership in all the important struggles against exploitation and for liberation, leaving the Democrats to reap the credit for any advances (including liberalizing the abortion laws) when it meets their needs. In the WLM itself there was quite a controversy over exposure of Betty Friedan's past Left affiliations. It was posed only as whether it was bad personally for Friedan to be "outed" and of whether it was a bad thing for the movement to be seen as having such "Red connections." I don't recall anyone trying to deal with the result of the distortion of the historical record of such omissions and about the importance of people knowing that good things come from the Left.

In the recent elections, too many of the so-called Left turned yet again for relief or salvation to the political party that had been bombing Iraq on a daily basis previous to the Bush invasion while supporting an embargo responsible for the deaths at least half a million—the same party that had betrayed the Mississippi Freedom Democratic Party in 1964 and later the African American supporters of Clinton, that had been complicit at best in huge cutbacks in welfare programs, that was lukewarm on protecting abortion rights when push came to shove, that put forth a health care reform program that would have made the HMOs happy and left people in a mess. These chickens are coming home to roost.

This shift of the Left to the center can't be broken by more collaboration with—and concessions to—liberalism or by trying to hide behind its skirts (anymore than the Democrats are going to win the "Red States" by moving further to the Right and still have *any* progressive social politics intact). The Democrats are part and parcel of the same imperialist corporate power that dictates the Republican agenda. There are sometimes differences in technique—carrot or stick—and the sections of the professional and working classes to which they appeal, but not in what they are protecting. It was not a Democratic Party initiative that has put the brakes on the capitalists' plan (It was not just Republicans.) to privatize social security, it has been public outrage.

Along with this political shift, there seems to be little comprehension that the great leap forward in

U.S. corporate ownership of capital in the past 30 or so years has made cutbacks in the funding of social programs *inevitable*. Corporations are sucking dry the world along with U.S. government social programs in all kinds of "legal" and illegal and violent and non-violent ways. Tax law changes, corporate welfare, the outsourcing and off-shoring of jobs have led to a shrinking of the U.S. government's social budget.

Off-shoring not only means that corporations pay much lower wages to both super-exploited labor abroad and blackmailed labor at home, it also means they don't have to pay certain taxes, including the payroll taxes that they once paid into Social Security and Medicare for all those lucrative working-class wage earners who are now jobless or "down-sized" in salary. I'm not a financial wiz, but the loss to Social Security and Medicare must be huge when one considers the current withholding rate is 15.3% (7.65% each for employer and employee) on every earned dollar up to \$87,900) and 2.90% (1.45% each) for earnings above that amount.

I sometimes wonder if the U.S. government is going broke. The media gives mixed messages. On the one hand, we hear how well the economy is doing. But what does that mean when the Bush administration won't even properly equip *its own* soldiers, leaving them to buy their own safety vests on e-Bay? Just how dry the government has been sucked should be a subject for investigation.

If the Redstockings "social wage" project had been started by NOW, I wouldn't have been surprised; it would be in line with the liberal branch of the Democratic Party, which NOW (at least on the national level) represents. In fact, NOW has several of the social wage demands in its platform, or it used to. But Redstockings is supposed to be RED. If distancing yourselves from socialism was a tactical decision, has it made you more successful, even in the short run?

Some may argue that a European-like social wage is a step toward socialism, but the historical record and the current capitalist crisis seem to show that without socialism, there can be no social wage. To quote Asbjørn Wahl again:

During the era of the social pact, this corporate strategy seemed to have blinded the labor movement. Based on the real experience of twenty years of continuous improvements in living and

working conditions, the common understanding was that a way had been found for society to bring social progress and a relatively fair distribution of wealth to ordinary people without having to endure class struggle and social confrontations. ... All social trends pointed upwards. For a great many in the labor movement, this was the reformist road to socialism, and everyone could see that it worked! ...

Personally, I heard this ideology openly expressed for the first time when I took part in basic trade union training at the education center of the Norwegian Confederation of Trade Unions early in the 1980s. There I learned that the first third of the twentieth century was characterized by intense conflict between labor and capital, including general strikes, lockouts, and the use of police and military forces against organized workers on strike. This was a destructive period, which in the end (the 1930s) had brought the working class nowhere. It was only when this confrontational policy was abandoned, when the trade union movement started to take full social responsibility, that real progress was achieved, in the form of better working conditions, better wages, and welfare reforms. In other words, confrontations with the employers are destructive; peaceful social dialogue is the way forward. ...

The above analysis was wrong then, and it is wrong today. However, the consequences of this error have become more dangerous for the trade union movement as the social pact has broken down. What this analysis obscures is that the great achievements in terms of welfare and working conditions, during the period of

class compromise after the Second World War, were the fruits of the previous conflict. Progress was made only because the working class had shifted the balance of power between labor and capital through confrontations and hard class struggle during the first part of the twentieth century (including the Russian revolution). In other words, it was the confrontational struggles of the previous period which made possible the gains later realized through peaceful negotiations. ...

To aim at a new class compromise, a new social pact, under the current much less favorable power conditions is illusory. Our aim, therefore, must be to go beyond the social pact and the welfare state. Only a transformation of society which is deep enough to remove the material preconditions for a restoration of neoliberal policies can safeguard the interest of working people. Nothing less than socialism can provide that.

Granted these are scary times to be organizing for socialism given the fascistic frenzy going on in Washington, but when have times not been scary? I think our demoralization, resignation and/or fear will recede along with our isolation if and when “socialists of all countries” can find each other and begin to work through to “surpass” our “moment of defeat.”

I want to put the time I have for political work into a mixed male/female group fighting for socialism/communism with a radical feminist consciousness, *and/or* into a women’s group fighting for liberation with a socialist/communist consciousness. I’m not sure just how to do this, but I don’t think the Redstockings Social Wage Project represents either.

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