

Introduction

Luxemburg introduces the question of revolution vs reformism. She points out that this is not a question that had been addressed before, because the struggle of reforms (improvements in the conditions of workers under capitalism) has always been a key part of the Marxist movement. However, Marxists see this struggle as the path through which the working class gets organised and realises its power - not the end goal, which is a socialist revolution. By contrast, a revisionist tendency within the German Social Democrats, notably centred around Eduard Bernstein, had begun to suggest that the Social Democracy should limit itself to the struggle for reforms rather than for revolution. He argued that in this way socialists could gradually transform society.

Luxemburg's book is a polemic against this tendency. She explains that, if reformism within the party is to be defeated, it must be through a political struggle to educate workers in marxist theory. The ideas of reformism, she explains, reflected the petty bourgeois nature of the academics and 'theoreticians' in the party apparatus. They wished to make concessions to the bosses and ultimately, throw out class struggle in favour of collaboration. If confident in theory, the workers in the movement would be able to resist this. 'Only when the great mass of workers take the keen and dependable weapons of scientific socialism in their own hands, will all the petty-bourgeois inclinations, all the opportunistic currents, come to naught.'

Questions for discussion:

- What do we know about the background to this book?
- Are there parallels with today?
- Why does Rosa Luxemburg argue that reformism reflects a petty bourgeois tendency in the party?

Chapter 1: The Opportunist Method

In this chapter, Luxemburg elaborates more about the theories of Bernstein. Like all the revisionists, Bernstein first argued that his works were simply an elaboration of the theories of Marx and Engels, but in actual fact they were in total contradiction to them. One of the key ideas of Marxism is that capitalism periodically goes into economic crisis. These are sometimes deep, general crises that place the whole system at risk. However Bernstein rejects this, arguing that the capitalist system can adapt itself and get rid of the possibility of crisis. This removes part of the scientific basis of socialism - the fact that contradictions are inherent in the capitalist system. Take away that, and socialism is just a 'nice idea', rather than a historical necessity.

Readers should note that in this chapter and in the rest of the book, Luxemburg uses the term 'collapse'. Her use of the term is open to misinterpretation.

Luxemburg states that, “He [Bernstein] says that capitalist development does not lead to a general economic collapse. He does not merely reject a certain form of the collapse. He rejects the very possibility of collapse.”

Later in this section Luxemburg writes,

“Either the socialist transformation is, as was admitted up to now, the consequence of the internal contradictions of capitalism, and with the growth of capitalism will develop its inner contradictions, resulting inevitably, at some point, in its collapse.”

One could interpret Luxemburg to mean that capitalism will simply collapse of its own accord into socialism. This is not the position of Marxism. Whilst capitalism does go through periods of acute, organic crisis, it will never simply ‘collapse’ and destroy itself, with socialism automatically replacing it. Socialism must be consciously fought for, though of course capitalism’s crises do lay the basis for the victory of socialism. Luxemburg certainly didn’t think socialism would ‘automatically’ replace a ‘collapsed’ capitalism, since she was a leading member of the conscious struggle to actively and politically overthrow capitalism.

Questions for discussion:

- To understand the following chapters, it’s important to know what Marxists believe about capitalist crisis. What are the contradictions in the system, and why is it so important for Marxists to discuss?
- How does this debate relate to the question of materialism vs idealism?

Chapter 2: The Adaptation of Capitalism

This chapter is a discussion of the different ways in which Bernstein argues capitalism can adapt and avoid going into crisis. Luxemburg explains that these methods in fact drive capitalism into deeper crisis, or at best do nothing to prevent the economic crisis from occurring.

The question of credit is discussed in depth. Credit temporarily enables the system to exceed its limits, as it can expand the markets available to capitalism in the short term. However, as Luxemburg explains, credit also exaggerates all of the contradictions already present in capitalism. The actual role of credit is not to lend to workers to give them buying power, but to give capitalists access to more immediate capital (the capital of other people) to invest in their businesses. Furthermore, the massive flexibility it gives makes capitalism even more anarchic than before, encouraging speculation which does not have to be linked to anything in the real economy. This all increases the intensity of the crisis of overproduction.

Additionally, credit is not linked to any value in the economy, it is simply a promise to pay at a later date. Therefore, ‘at the first symptom of the crisis, credit melts away. It abandons exchange where it would still be found indispensable, and appearing instead, ineffective and

useless, there where some exchange still continues, it reduces to a minimum the consumption capacity of the market.'

Bernstein argues that combinations and cartels can organize among themselves and minimise some of the anarchy of the market. But while national cartels may decrease competition at home, they do this by sharpening competition on the global market, leading to trade wars and international economic crisis. And these capitalist cartels simply heighten the contradiction between the organised bosses and the workers.

Far from preventing crises, these methods only make economic crises worse.

Questions for discussion:

- Bernstein argues that capitalist crisis can be avoided using credit - but so do many modern economists. Where can we see these ideas in politics today?
- In what ways is credit 'a mighty instrument for the formation of crises'? Are there any examples you can think of?
- Why does Bernstein argue that employers organisations (combinations and cartels) can help capitalism adapt?
- What are Luxemburg's counter-arguments to this?
- 'Capitalist combinations aggravate the contradiction existing between the international character of capitalist world economy and the national character of the State'. How does this relate to questions such as the rise of protectionism in many countries today?
- Bernstein also mentions the continued existence of middle sized businesses. Why does he think this contradicts Marxist ideas of capitalist crisis? And why is this not the case?

Chapter 3: The Realisation of Socialism through Social Reforms

This chapter discusses the role that the struggle for social reforms can play under capitalism. Bernstein argues that this struggle for economic reforms and improvements in workers' conditions can eventually result in the socialist transformation of society. However, under capitalism, reforms have a very limited character.

Although the organised trade union movement can try to defend the rights of workers this is ultimately limited to the struggle for increased wages, reducing the working day, and preventing layoffs where possible. This doesn't in any way challenge the exploitation which is inherent to the capitalist system. It can regulate this exploitation, but does not transform the process of production itself.

Further, when the state implements labour legislation, it is hardly acting in the defense of workers. Social reforms enacted by the state are in the interests of preserving capitalism, even if it mildly inconveniences capitalists in the short term. "When Bernstein asks if there is more or less of socialism in a labour protective law, we can assure him that, in the best of labour protective laws, there is no more "socialism" than in a municipal ordinance regulating the cleaning of streets or the lighting of street lamps."

Therefore, as capitalism goes through crises, the trade union movement often finds itself on the back foot. Rather than being able to seize the moment to transform society, the part of the labour movement which limits itself to reforms has to fight a defensive struggle, trying to prevent the gains of the past from being reversed. To make up for losses on the market, the capitalists try even harder to attack wages and conditions. The state also rolls back social reforms to give the capitalists more ability to make profits.

The solution to this is to not limit ourselves to the struggle for reforms, but to fight politically for the overthrow of capitalism. This doesn't mean that these reforms are not worth fighting for - but they won't automatically lead us to socialism.

Questions for discussion:

- What are the limitations of only fighting for economic reforms?
- If reforms will always be rolled back at a later date, why is the battle for them so important?
- If the state represents the capitalist class, why would it ever introduce labour legislation?

Chapter 4: Capitalism and the State

This chapter discusses the role that the state, and in particular parliamentarianism, can play in society. In class society, the state is organized to represent the interests of the ruling class. The state will only enact social reforms if they are also in the interest of the capitalists.

There can be a conflict between the interests of the development of capitalism overall, and the interests of the capitalists as individuals or in one particular country. In this case, the state would take the side of the latter - for example, retaining protectionist policies to protect internal markets, or starting wars not to spread capitalism, but to defend one group of capitalists against another. So we can see that the state doesn't represent the interests of society as a whole, but simply narrowly represents the interests of capitalists.

Therefore, why would this state ever implement socialism? Bernstein argues that because democracy is now extended to the masses, they will inevitably vote in their own interests and this can therefore be a gradual way to implement socialism. However, this contradicts the class character of the state, and it contradicts what we know from history. Although

'democratic in form', parliament is the instrument of the ruling class. The closer workers get to electing a socialist parliament, the more the illusion of democracy will be sacrificed in order to maintain the real function of the state.

Questions for discussion:

- What role does the state play in class societies? Why is it needed?
- Under capitalism specifically, is there anything different about the state?
- 'As soon as democracy shows the tendency to negate its class character and become transformed into an instrument of the real interests of the population, the democratic forms are sacrificed by the bourgeoisie, and by its State representatives.' Can you think of any modern examples of this?
- If we can't use the capitalist state to enact socialism, why participate in parliamentary politics at all?

Chapter 5: the Consequences of Social Reformism and the General Nature of Reformism

In this chapter, Luxemburg explains how adopting Bernstein's theory - the theory of reformism - would affect the real political situation. Luxemburg explains why Marxists participate in the struggle for social reforms - it is a way to prepare the proletariat for taking power. By contrast, reformists aren't interested in taking power - only in creating short term improvements to the lives of workers, within the limitations of capitalism. In other words, Marxists aim to use this struggle to create a 'subjective factor' - an organisation of workers willing to overthrow capitalism - while Bernstein argues that social reforms will objectively bring about an end of capitalism.

However, since we already showed that social reforms, on their own, do not end capitalism, what are the practical implications of this theory? Socialism will not come about automatically. The objective condition for the overthrow of capitalism is the crisis - the intensification of all the deep contradictions within capitalism. But a subjective factor is required as well. The working class has to realise that the only way to get out of these contradictions is by the socialist transformation of society.

Bernstein's reformism is ultimately built on an undialectical and idealist understanding of capitalism. He doesn't analyse the capitalist economy as a whole, but rather treats every part of the capitalist economy as something separate. This is best seen in his argument that the system can just do away with the crisis of overproduction. In reality, capitalism, like everything else in the world, is a system which works dialectically. Every part affects another part. Contradictions flow into each other, with the temporary resolution of one contradiction only leading to the intensification of another. In this section, Luxemburg points out that if you get rid of crises of overproduction, you remove the periodic destruction of the productive forces. She then says that it is precisely this destruction of productive forces that undermines

the tendency of the rate of profit to fall, which she says is a much greater threat to capitalism than are crises of overproduction. This is not strictly true - capitalism has many other ways to undermine the tendency of the rate of profit to fall, such as opening up new markets or driving down wages. Nevertheless, her main point is entirely correct, which is that the resolution of one of capitalism's contradictions only exacerbates others. Bernstein's way of understanding the world not only rejects Marxist economics, but it also abandons the method of dialectical materialism.

The belief that the capitalist economy can somehow be 'fixed' and the refusal to prepare the working class for power means that so called Social Democrats actually end up moving in the opposite direction, becoming a tool of bourgeois democracy. Rather than helping to bring about socialism, they actively maintain capitalism.

Questions for discussion:

- How is the struggle for reforms 'the means of guiding and educating the proletariat in preparation for the task of taking over power'?
- What role do reformist political parties play within the capitalist system?
- What is the 'subjective factor'? Why is it so important to prepare it?
- Is there anything missing from Luxemburg's explanation of the subjective factor?
- Why does Luxemburg describe Bernstein's reformism as 'a theory of standing still in the socialist movement built, with the aid of vulgar economy, on a theory of capitalist standstill.'?
- How does this theory of 'capitalist standstill' contrast with the way Marxists understand the world?

Chapter 6: Economic Development and Socialism

In this chapter Luxemburg elaborates more on Bernstein's idealism. She explains how Bernstein cherry picks statistics to try to disprove Marx's analysis of capitalism - for example how he supposedly disproves the idea of the concentration of capital by pointing to the existence of shareholders and middle sized businesses. But he has a very superficial view of capitalism, mistaking the surface view for how the system actually functions. In reality, each shareholder doesn't become an individual capitalist. Shareholding companies simply bring together individuals' small amounts of savings, with enough individual contributions, quantity transforms into quality and the savings become capital. The 'capitalist' isn't an individual person but a social and economic category. This also explains the obsession of reformists such as Bernstein with the middle class. Because they have no interest, really, in getting rid of class antagonisms, they simply want to reduce their impact as much as possible. Instead of getting rid of capitalist and worker, reformists simply want to raise as many workers into the category of middle class, or petty bourgeois, as possible.

The abandonment of scientific socialism is most clear with Bernstein's treatment of the Labour theory of value, claiming that it is simply an abstraction of real commodities. He ignores the fact that the labour theory of value is based on a real, scientific analysis of the capitalist economy. It shows that the exchange value of every commodity is based on the socially necessary labour time contained within it. This also explains why we have money - it acts as a universal equivalent for the exchange values of different commodities. The nature of money remains a total mystery to bourgeois economists.

Marxists are capable of analysing the economy in this way because we don't regard it as some eternal system, but as a specific historical phenomenon.

Questions for discussion:

- Luxemburg says that 'the greatest conquest of the developing proletarian movement has been the discovery of grounds of support for the realisation of socialism in the economic condition of capitalist society.' Why is this so important?
- 'Bernstein, on the other hand, locates the realisation of socialism in the possibility of making the poor rich. That is, he locates it in the attenuation of class antagonisms and therefore in the petty bourgeoisie.' Can we see this tendency in reformism today?
- Why is the labour theory of value important to Marxism?
- Why do you think so many reformists reject the labour theory of value?

Chapter 7: Co-operatives, Unions, Democracy

The chapter discusses more of Bernstein's proposals for realising socialism through reformist means. In particular, it discusses trade unions and cooperatives (on the economic side) and the use of democracy.

Bernstein argues that trade unions can be used to suppress the profits of the bosses by the struggle to raise wages (and therefore turn any profits that the boss would make immediately into higher wages). However, as we have already discussed, trade unions within a capitalist system cannot suppress the law of wages altogether - workers can only fight for a slightly larger slice of the pie. Additionally, as we see today, increases in productivity and more competition on the labour market lead trade unions to having to fight an increasingly defensive battle as the reforms of the past are under attack. Luxemburg likens this to a 'labour of Sisyphus'- an Ancient Greek myth about a king who was condemned to constantly push a boulder up a hill, only for it to roll down again once it reached the top.

Then what about co-operatives? In the same way that trade unions are supposed to control wages and therefore attack industrialists' profits, co-operatives are supposed to control commercial profits.

The problem with cooperatives is that they function within the capitalist system and must therefore obey the laws of the market. Ultimately, the workers in these enterprises either have to exploit themselves to the extent that the enterprises ultimately become fully capitalist, or the company goes under. Producers' cooperatives can only really continue to exist when they are backed by consumer cooperatives, but it must be obvious that this only represents a fraction of the capitalist economy. While farming cooperatives are fairly common, cooperatives in industry and construction are nonexistent. Cooperatives aren't anything more than decoration on a capitalist economy.

In both these cases, we can see that Bernstein has completely thrown out the struggle against the capitalist mode of production - exploitation. Instead he wants to combat the symptoms of capitalism on an individual, small scale basis. The natural conclusion of this isn't a socialist society - it's a return to the peasant commune!

Because Bernstein has thrown out any idea of combatting the material basis of capitalism - even denying that the law of surplus value is any more than an abstraction - the only path left is an idealist one. Instead of fighting to transform society, Bernstein suggests that we simply politely convince the capitalists to be more just and fair in distributing their profits.

Can this be done through democracy? Only if you believe (which reformists do) that democracy is a system that can transcend class antagonisms and unite the nation. This could not be further from the truth. Rather than there being democracy as such, there are many different kinds of democracy that express different forms of class society, instead of rising above them. Bourgeois democracy, just like the democracy of the Ancient Greek slave societies, ultimately represents the interests of the ruling (capitalist) class.

Capitalism and democracy aren't intrinsically linked. We see from history that capitalism can use absolute monarchies, totalitarian dictatorships, and even theocracies. While for now, in many of the developed capitalist countries, democracy is considered the ideal method of class rule, this can change. In fact, Luxemburg argued that liberalism and democracy were becoming increasingly useless for the German ruling class, in large part due to fear of the growing labour movement.

The ruling class would be quick to throw out any democratic concessions they had previously made if this was necessary to prevent communists coming to power. Reformists often claim that revolutionary socialists want to 'ignore' democracy - as if bourgeois democracy is the only possible kind. Yes, bourgeois democracy is a farce. But ultimately the organised working class are the only ones who can defend genuine democracy, the democracy of the vast majority - workers' democracy.

Questions for discussion:

- What role do cooperatives play in a capitalist economy? Should we support cooperatives on principle?
- Why don't socialists advocate a return to 'precapitalist conditions'?

- Why would capitalist countries adopt democracy? Why aren't all capitalist countries liberal democracies?
- 'The present manifestations of political reaction are to Bernstein only "displacement." He considers them accidental, momentary, and suggests that they are not to be considered in the elaboration of the general directives of the labour movement.' Do we see this tendency today?
- How true is it that democracy is exhausting its usefulness to the bourgeoisie? How about liberalism?
- Why do you think Rosa Luxemburg says that 'he who would strengthen democracy should want to strengthen and not weaken the socialist movement.'?

Chapter 8: Conquest of Political Power

In this chapter we talk more about the necessity of a proletarian revolution. Reformists argue that legislative change and revolution both achieve the same end (a more equal society) and therefore it's possible to pick and choose between them. But historically this isn't the case. During the development of capitalism out of feudalism, the bourgeoisie could use legislation to gradually strengthen their own position. This didn't replace the necessity of a bourgeois revolution to seize power - it actually laid the way for it. Rather than being some spontaneous, violent and random outburst, revolution is the motor force of history.

Legislative reform and revolution aren't mutually exclusive- they compliment each other. Historically, new legal constitutions are often products of a revolution. 'Revolution is the act of political creation, while legislation is the political expression of the life of a society that has already come into being.' This also means that reforms are limited in how far they can go. Legislative reform stays within the framework put in place by the last revolution. Reformists, therefore, aren't actually pursuing the same goal as socialists. Instead of socialism, their goal is reformed capitalism.

Under capitalism all of the seeds for a socialist society exist, but they are in forms which are totally alien to socialism. Democracy brings the masses into political participation, but bourgeois democracy only represents the domination of the capitalist class. Similarly, the socialisation of labour in large workplaces and the planning of massive corporations lays the basis for a socialist society. But under capitalism, this socialisation of labour only leads to megaprofits for the bosses and alienation for the individual worker. These forms will not automatically lead us to socialism - they must be transformed by a revolution. They are important not because they render the idea of socialist revolution superfluous, but because they demonstrate that it is both necessary and possible.

Questions for discussion

- Why are revolutions described as 'the pivot and motor force of history'? What role does legal or political reform play in this?
- What is a revolution? Does a revolution have to be violent?
- Is the role of legislative reform under capitalism different to previous systems?
- How does capitalism lay the basis for socialism? Does this eliminate the need for revolution?
- Bernstein warns against the possibility of the 'premature' conquest of power. Why do you think he does this?
- Is there such a thing as a 'premature' revolution? Should Marxists worry about this eventuality?

Chapter 9: Collapse

In this chapter, Luxemburg explains how reformists have abandoned the whole idea of socialism. Rather than being some sort of innovation, in actual fact reformism ends up as reheated idealism. If you throw out any criticism of capitalism, you end up accepting the status quo. This means accepting the exploitation of workers as long as the bourgeois can claim to be, in any way 'politically progressive'. Ultimately, this means denying that exploitation, or even the working class itself, even exists.

The early reformists claimed to be 'neutral' theorists, abandoning the so-called prejudices of Marxists. Instead of representing one class, they claimed to represent all of humanity - putting forward abstract, moral arguments. But as we live in a class society, people who claim to have no bias are simply biased towards the status quo by covering up its realities. In abandoning socialism, reformism has no other option but to defend capitalism. So we see that, while pretending to be simply an innovation of Marxism, Bernstein's reformism is actually a wholesale attack on Marxism and, taken to its logical conclusion, would prevent any chance at socialism.

Questions for discussion:

- Rosa Luxemburg sums up the whole book in the first part of this chapter, so it's worth unpacking.
 - a) Why are 'cooperatives' linked to the capitalist system?
 - b) In what ways is the transformation of society through unions and consumers cooperatives incompatible with the laws of capitalism?
 - c) Why is Bernstein's conception of capitalist development incompatible with the Marxist theory of surplus value?

- d) Why does the class struggle need to have a real basis in economics?
- e) Why can't the system be transformed without class struggle?
- What are the differences between the philosophies that underlie Marxism and reformism?
- Is Marxism biased? What are the practical implications of this?
- Why does the socialist movement need a theory?

Chapter 10: Opportunism in Theory and Practice

In the final chapter, Luxemburg discusses the development of reformism in the Marxist movement. Even at that time, it was hardly a new trend. However, there hadn't been an attempt to give it a theoretical expression until Bernstein's book.

Reformists were not capable of putting together a fully formed theory explaining society as a whole, as Marxism does. Instead, reformism tries to solve one part of capitalism at a time, and attack one small element of Marxism after another.

The method and outcomes of reformism clearly differ from those of the socialist movement. They divert the working class away from class struggle and push the labour movement down bourgeois paths.

Because utopian socialism, which preceded Marxism, based the struggle for socialism on moral justice, it had an idealist philosophy. It was important in the development of the socialist movement, as it gave theoretical expression to the early symptoms of the class struggle under capitalism. 'They were the children's seven-league boots thanks to which the proletariat learned to walk upon the scene of history.' But as the class struggle developed, and the contradictions within capitalism became more clear, these theories were no longer sufficient. Scientific socialism was required. Contrary to the idealists of the 19th century, reformism in the 20th century was a clear step back and an attempt to put the workers' movement 'back in its box'.

However, just because Marxism is correct, does not mean that reformism, anarchism and idealism will be automatically proven so to the majority of people. A revolutionary party is still part of the rest of society and comes under pressure from the dominant, bourgeois ideas. This pressure doesn't come from bourgeois ideas being correct, but from real social conditions. A theoretical battle has to be constantly waged against ideas which are alien to the movement. The only way to guard against this, as Rosa Luxemburg says in the beginning of the book, is to educate the whole party in Marxist ideas and practice.

Questions for discussion:

- Why is reformism characterised by 'disdain for theory'?
- What is the difference between utopian socialism and reformism?
- How can we explain the development of reformism as 'an historic phenomenon in the development of the party'?
- Aside from reformism, what other idealist or bourgeois theories put pressure on the workers' movement today? What can Marxists do about this?