

# THE ROOTS OF WORKING CLASS REFORMISM AND CONSERVATISM: A RESPONSE TO ZAK COPE’S DEFENSE OF THE “LABOR ARISTOCRACY” THESIS

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## ABSTRACT

*This essay is a response to Zak Cope’s defense of the “labor aristocracy” theory of working class reformism and conservatism. Specifically, the essay engages Cope’s claims that British colonialism, imperialist investment, and transnational “monopoly” corporations have accrued “surplus-profits” that have underwritten the existence of a “labor aristocracy” historically, and that “unequal exchange” today has transformed almost the entirety of the working classes of the global North into a labor aristocracy. We conclude with a presentation of an alternative explanation of working class reformism and conservatism.*

**Keywords:** Labor aristocracy; reformism; conservatism; monopoly; capitalist competition; wage differentials and class consciousness

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Sraffa and Althusser Reconsidered; Neoliberalism Advancing in South Africa, England, and Greece

Research in Political Economy, Volume 29, 241–260

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ISSN: 0161-7230/doi:10.1108/S0161-723020140000029008

Cope's critique focuses on four specific elements of my argument. First, Cope defends Engels' (1845) argument that super-profits from Britain's mid-nineteenth century industrial dominance and its colonial empire were used to "corrupt" the skilled section of the British working class. Second, he attempts to demonstrate the validity of Lenin (1915, 1916) and Zinoviev's (1983–1984/1916) claims that "super-profits" from imperialist investment in the global South "bribed" a section of the working class in the global North before 1914. Cope, in an expansion of Elbaum and Seltzer's (1982a, 1982b) claims that higher than average profits earned by "monopoly capital" were shared with the unionized sectors of the working class in the global North after World War II, analyzes the impact of oligopolistic transnational corporations on wage differentials between the contemporary global North and South. Finally, Cope challenges my claim that well-paid and skilled industrial workers were often the social base of the radical and revolutionary left in the twentieth century.

In addition to these objections to specific aspects of my critique of the labor aristocracy theory, Cope also makes two *over-arching* criticisms of my argument. First, Cope (2013, p. 91) argues that my "narrow concern with wage differentials *inside* the imperialist countries misses the most significant economic and political repercussions of global labor stratification." Second, Cope claims that I deny or downplay the dominance of reformism and forms of social conservatism (racism, xenophobia, sexism, homophobia, etc.) in the northern working class.

Cope is correct that I focus on explanations of wage differentials *within* the working class of the global North. The reason is simple – Engels, Lenin and Zinoviev, and Elbaum and Seltzer were all attempting to explain *that* differential. In all of the classical formulations of the labor aristocracy thesis, the labor aristocracy is portrayed, in Lenin's (1916) words, as the "upper stratum" of the working class in the imperialist social formations. Because I was responding to *these* arguments, I focused on wage differentials in the global North. Cope, in his *Divided World, Divided Class* (2012), significantly *radicalizes* the labor aristocracy thesis, claiming that the *entire* working class of the global North forms a hopelessly conservative labor aristocracy. After responding to his specific criticisms of my assessment of the classical theories of the labor aristocracy, I will evaluate the validity of Cope's attempt to argue that almost all workers in the global North share in imperialist super-profits primarily through the mechanism of "unequal exchange."

Cope's assertion that I *ignore* the dominance of reformism among the working classes of the global North is simply *not true*. I have argued that in

*most situations, most workers* – in *both* the global South and North – embrace reformist politics at best, and conservative politics at worst. Cope and I differ not on the *reality* of the dominance of reformism and conservatism among most workers in capitalist societies – north *and* south – but on *the explanation* of this phenomenon. In my conclusion, I will summarize my analysis of working class reformism and conservatism.

## IN DEFENSE OF ENGELS ON THE VICTORIAN LABOR ARISTOCRACY IN BRITAIN

Cope's defense of Engels' arguments about the British labor aristocracy in mid-nineteenth century is a bit scatter-shot. He challenges three of my specific criticisms of Engels. First, Cope (2013, p. 95) denies that periodic unemployment "make it impossible to identify a body of relatively privileged workers." Second, Cope (2013, p. 98) argues that my claim of "falling wages for the entire British working class in the last quarter of the nineteenth century is fallacious." Finally, he defends the claim that Britain's imperial and industrial dominance accounts for wage differentials within Britain. Specifically, he analyzes the impact of British colonial trade on the *absolute* level of consumption of British workers.

Clearly, periodic unemployment did not eliminate stratification *within* the British working class. My point, however, was that the relative "privilege" of skilled industrial workers was not as *secure* and *stable* in the nineteenth century as advocates of the labor aristocracy claimed (Post, 2010, pp. 16–17). The notion that "a very large body ... [came] into existence among the British proletariat, able to keep up a standard of living almost identical with middle class" (Halevy, 1968, p. 212) cannot be sustained in light of the evidence of widespread seasonal and long-term unemployment even among relatively well-paid, skilled workers. In sum, a stable layer of "labor aristocrats" that providing a durable basis for reformism in the British working class is questionable.

Nor did I claim that the *entire* British working class experienced "increasing immiseration" (Cope, 2013, p. 96) in the late nineteenth century. Instead, following Linder (1985, pp. 61–62), I pointed out that *average real* wages adjusted for inflation were dropping for both unskilled and skilled workers in Britain. More importantly, I argued that *wage differentials* among British workers were declining as a result of the spread of mechanization and the decline of married female and juvenile labor (Linder, 1985,

pp. 89–93). Combined with growing insecurity of employment among, and the capitalist offensive against skilled workers’ control of the labor process undermined their position as a labor aristocracy.

In an attempt to rescue Engel’s original thesis, Cope (2013, p. 96) claims that the best paid British workers were “closely connected to Empire: textiles, iron and steel, engineering, and coal.” (96) He supports this claim with data on the growing importance of British, French, German, and US foreign direct investment (FDI) in the global South in the late nineteenth and early twentieth centuries. Unfortunately, the source he cites (Elsenhaus, 1983, p. 19, n. 70), provides data on the growing importance of the global South in imperial FDI – but gives no indication of the *relative weight* of FDI in the total economies of Britain, France, Germany, or the US. We have no sense of how much investment or profit these ruling classes derived from their investments abroad generally or from investments in the global South specifically. His specific claim of a correlation between imperial profits and the higher than average wages of works in textiles, iron and steel, engineering, and mining remains unfounded. Cope would have to provide data demonstrating how higher than average profits in these “imperial” branches of production account for the higher than average wages of skilled workers in these branches. He does not, and Linder (1985, pp. 80–81) provides convincing evidence that such a claim could not be made for the engineering industry.

Cope’s attempts to resuscitate Engels by claiming that British colonial trade in the late nineteenth century provided cheap consumer goods, increasing absolute levels of working class consumption. While recognizing that increased productivity of labor in Britain as a result of mechanization may have accounted for some of the fall in consumer good prices, Cope (2013, pp. 99–103) asserts “rising British wages ... were, in fact, afforded by an increase in the proportion of workers’ consumption goods produced by *colonial labor*.”

to better compete with its imperialist rivals, Britain escalated its extraction of surplus labor embodied in colonial foods and raw materials but, crucially, never paid for in colonial wages. In doing so, Britain was able to supplement the consumption of its own workforces, still at that time exploited in the main, at the expense of that in the colonized nations.

This argument, however, suffers from a number of problems. While Cope (2013, pp. 98–99) cites data on increasing volume of colonial imports to Britain between 1870 and 1913, he does not assess the relative weight of industrial raw materials and consumer goods in the colonial trade. Put

another way, Cope fails to analyze the relative benefits of the colonial trade to capital (cheap raw materials) and labor (cheap consumer goods). More importantly, Cope fails to demonstrate that the benefits of empire and colonialism accrued *primarily* to the minoritarian “labor aristocracy” of skilled workers in late nineteenth century Britain. First, he relies on Halevy’s (1968, pp. 212–213) *impressions*, based on no systematic data, that falling prices for consumer goods primarily benefited a small proportion of wage workers. Second, Cope (2013, p. 104) argues that the British trade deficit/import surplus from the colonies of £158 million in 1913 represented “pure profit,” (p. 104) and more than accounts for the £52 million wage differential between skilled and unskilled workers in 1892. There are two problems with this argument. First, the notion that the British trade deficit represented “pure profit” that could be used to bribe workers in Britain assumes that the *British* owners of the colonial plantations and mines that produced these imports would forego their profits to bribe workers half a planet away. Second, how can gross profits in 1913 explain wage differentials almost 20 years earlier? Cope would have to provide more refined data on colonial profits for 1892 or on wage differentials in 1913 to *begin* to make his case.

Ultimately, Cope is correct that relatively inexpensive consumer goods produced in the colonies (like the falling price of domestically produced consumer goods) raised the *absolute* level of consumption of the British working class in the late nineteenth and early twentieth century. However, he has not demonstrated either that this increased *absolute* consumption was *restricted* to a privileged minority of British workers; or that the wages and working conditions of British workers was not declining *relative* to British capital.

### **LENIN AND ZINOVIEV ON IMPERIALIST “SUPER-PROFITS”**

Cope’s response to my critique of the Lenin–Zinoviev version of the labor aristocracy thesis is more focused. Essentially, he challenges my use of data to demonstrate that FDI to the global south is a very small percentage of total global investment, and thus cannot account for wage differentials within the US working class.<sup>1</sup> Cope never contests my fundamental point – some 90% or more of total world investment remains *within its country of origin*. Put another way, global capitals headquartered in the

“Triad” (US, Western Europe, and Japan) invest the vast majority of their capital in the *society where they are located*. His criticism focuses, instead, on the relative distribution of the 10% of global investment that takes the form of FDI between the global South and global North. Specifically, he contests data that indicates that between 60% and 80% of global FDI flow from one part of the Triad to another – from one imperialist power to another. First, he (Cope, 2013, p. 109) argues that “nearly 50% of manufacturing foreign direct investment is received by the developing countries.” Second, he points out that “... FDI within the developed world is hugely inflated by non-productive ‘finance and business’ activities.” Finally, he argues that “intra-OECD manufacturing (particularly in those Transnational Corporations (TNCs) which have offshored or outsourced much of their productive processes to low-wage nations) is heavily dependent upon capital infusion from the Third World.”

I had, in fact, taken into consideration these (and other) problems with the data on FDI and profits earned by US corporations abroad when I estimated that 50% of US corporate profits earned abroad were earned in the *global South – approximately the same figure Cope uses for manufacturing FDI to the developing countries*. Despite this relatively generous assumption, I found that profits from imperialist investment in the global South could not account for wage differentials within the imperialist countries. (Post, 2010, Tables 1 and 2, pp. 20–22; Graph I, p. 21) *Total* profits earned abroad – from investments in both the developed and developing countries – were in the range of 2–6% of total US wages since 1948. Even if we were to assume, following Cope, that the rate of profit in the global South is so much higher than in the global North and that *all* of US corporate profits earned abroad came from the labor of workers in the developing country, those profits could not account for the wage differentials *within* the US or other imperialist countries. Based on my assumption that 50% of profits on FDI come from the global South, these profits would account for 1–3% of total US wages. Clearly, profits derived from investment in the global South are a crucial *counter-tendency* to the decline of the rate of profit. From a low of approximately 5% in the 1950s, the share of total US corporate profits earned abroad has jumped to 30% in the twenty-first century. Clearly, profits earned in the global south – at least 15% of total US corporate profits – are a crucial counter-tendency to falling profits in the US and the rest of the global North.

Cope, unfortunately, falls back on an even weaker argument. He claims that my focus on FDI “ensures that obscured from view are the tens of thousands of Third World-owned factories whose hundreds of millions of

**Table 1.** Shares of Market-Based Income, 1959–2003 (Mishel et al., 2005, p. 93).

Year	1959 (%)	1979 (%)	1989 (%)	2003 (%)
Capital <sup>a</sup>	13.3	15.1	20.8	18.1
Labor <sup>b</sup>	73.5	75.8	71.0	72.1
Proprietors	13.3	9.1	8.2	9.8

<sup>a</sup>Rent, dividends, and interest.

<sup>b</sup>Wages, salaries, and fringe benefits.

**Table 2.** Family Income Shares from 1973 to 2003.

	Bottom 5th (%)	2nd 5th (%)	3rd 5th (%)	4th 5th (%)	Top 5th (%)
1973	5.5	11.9	17.5	24.0	41.1
2000	4.3	9.8	15.5	22.8	47.4
2003	4.1	9.6	15.5	23.3	47.6

workers supply inexpensive intermediate inputs and cheap consumer goods to the imperialist countries via the vertical integration of production” (Cope, 2013, p. 111). He further argues that “a dollar invested in the Third World Country typically buys much more resources than a dollar invested in the First World.” Specifically, he asserts it purchases many more hours of labor than in the global North. These claims are fundamentally *uncontroversial*. The low cost of labor in the global South explains why capital, in constructing global production chains, has been moving much of its most labor-intensive operations – those most sensitive to wage costs – to the global South since the 1980s (Moody, 1997, Part I). However, just as cheap colonial imports benefited *all* British workers in the late nineteenth century, higher profits for transnational capital benefits *all* workers in the global North through increased employment and wages, not the “small minority” of labor aristocrats that Lenin and Zinoviev identified.<sup>2</sup>

Contrary to Cope, there is clear evidence that benefits of imperialist investment abroad (and the rising rates of exploitation of workers “at home” in the global North) has not been “evenly distributed” across the US population.<sup>3</sup>

Clearly, the “super-profits” of imperialism and the reorganization of production in the developed countries have not been accruing to *any sector* of the US working class (or the traditional middle class of the self-employed “proprietors”) since the 1970s. The only segments of the US

population whose share of total income has *increased* are capital and the professional-managerial middle class that makes up the top quintile of households.

Cope acknowledges growing inequality of income – growing profits for capital and salaries for managers and professionals at the expense of workers’ wages. However, he adopts the essentially *neo-conservative* argument that growing income inequality is *irrelevant*. By arguing that imperialism has increased the *absolute* consumption of the working class in the developed countries, Cope (2013, p. 100) can assert that workers in the Triad “were better off in 1999 than they were in 1975.” He relies on a study by the right-wing American Enterprise Institute (Meyer & Sullivan, 2011) that justifies social service austerity on the grounds that poverty is not increasing in the US and other industrialized societies because *absolute consumption* is rising. This notion has little in common with both the Marxian analysis of *exploitation* – the division of the social product between capital and labor – and most sociological analysis of *relative* poverty under capitalism.

### MONOPOLY SUPER-PROFITS AND WAGE DIFFERENTIALS

Cope, in his defense of Elbaum and Seltzer, does not engage my discussion of the empirical and theoretical problems with the notion of “monopoly” or “oligopoly” – that profit rate and wage differentials do not correlate with degrees of concentration of industry, but with capital intensity of production; and that notions of “monopoly/oligopoly” are the ghostly mirror-images of the thoroughly ideological idea of “perfect competition.” Instead, he essentially *globalizes* these problematic notions to explain global uneven and combined development. Following Samir Amin, Cope claims that global oligopolies (transnational corporations) extract “monopoly super-profits” from the global South through a combination of technological monopolies enforced by the capitalist state, global financial control which siphons savings from global South to North, monopolistic access to natural resources, control of media to manipulate political events, and global North’s military dominance that “ensure that Third World states are literally *forced* to comply with imperialist diktat” (Cope, 2013, p. 113). While some of the phenomena Cope cites, in particular, the global North’s technical dominance, are quite real, they are the product of *real capitalist*

*competition* – not monopoly or oligopoly. As Shaikh (2004, p. 46) argues, capitalist competition – within and *between* nations – “favors the comparatively strong over the comparatively weak.” Put another way, competition and not *its absence* constantly reproduces the global North’s technical and productive dominance over the global South.

The use of non-market coercion – military power, monopoly power, etc. – is the distinguishing characteristic of *pre-capitalist, not capitalist imperialism* (Wood, 2004). The distinguishing feature of capitalist social relations is the absence of non-market coercion in the exploitation of direct producers. Rather than relying on legal, juridical, and other non-market forms of coercion to ensure that producers perform surplus labor for their exploiters, capital relies solely on the operation of the market in labor-power to ensure the production of surplus-value. Just as capitalist production dispenses with non-market coercion in the exploitation of labor; capitalist imperialism – the internationalization of capitalist social relations (“the export of capital”) – does not rely on exactly the sort of mechanisms that Cope identifies. Thus, while capitalism requires a state (or a system of states in the case of capitalist imperialism) to create the general conditions of capitalist production (separating laborers from the means of production, organizing the legal framework for market competition, suppressing challenges from below, etc.), it does not require direct political or military interference in the production of goods and services to ensure exploitation at home or abroad. Put simply, capitalist imperialism does not require the use of either political or “monopoly” power to artificially depress or raise prices to generate profits.

## THE RADICALIZATION OF THE LABOR ARISTOCRACY

Cope (2013, p. 115) begins his critique of my historical account of the politics of skilled workers by acknowledging that:

there is some sociological truth in the idea that it has been mostly skilled workers and intellectuals who have been members of the Communist parties in Europe. That does not, however, change the reality that these have been small in numbers or that the main policy they have pursued has been narrowly economic and at least tacitly social-imperialist.

While only a small percentage of the total working class in *any* country joined the Communist Party, my point was that the purported labor

aristocracy – skilled industrial workers – were *over-represented* in both the revolutionary wing of pre-war European social-democracy (in particular the Russian Bolsheviks) and in the post-war Communist Parties. Whatever criticisms of the theory and practice one can make of the Bolsheviks before 1917 or the mass communist parties in France, Italy, and Germany in the 1920s, the notion they were “economistic” or “social-imperialist” in political orientation has little empirical basis. Perhaps these parties fail to live up to Cope’s concept of revolutionary organizations because they did not embrace the politics of the Comintern’s “third period” (1928–1934), where immanent revolution made social democracy the “left-wing” of fascism, requiring revolutionaries to reject of any united action with non-revolutionary workers and their leaders. Unfortunately, these politics led to the greatest defeat of the working class in world history in Germany in 1933 (Claudin, 1975, pp. 127–166).<sup>4</sup>

Cope (2013, p. 116) goes further arguing that “Western “workers” are today *fascism’s* major constituency.” (116) Citing Oesch’s (2008) research, Cope found that wage workers (office clerks, service workers, production workers) are *over-represented* among right-wing voters in Austria, Flanders, France, and Switzerland. Workers actually make up a majority of right-wing voters in Austria, Flanders. and France. However, workers are *under-represented* in the total electorate – making up around 50% of voters in all of these countries. Oesch provides no evidence that a *majority* of workers vote for the populist far right. In fact, his evidence indicates that most workers either still vote for the remnants of the social-democratic left or *abstain*.<sup>5</sup> Cope (2013, p. 116) recognizes that the attractions of some workers to the populist far right is the result of the collapse of *collective class* organization – particularly “trade union vehicles” (p. 116). As we will argue below, conservatism – like reformism – is in some-ways the “default” consciousness of workers in *all* societies in the absence of effective class organization – including the global South.

## UNEQUAL EXCHANGE AND THE GLOBAL “LABOR ARISTOCRACY”

In his recent book, *Divided World, Divided Class* (2012), Cope attempts to overcome the *empirical* limitations of previous defenses of the labor aristocracy argument, by *radicalizing* the argument. No longer is the labor aristocracy restricted to a *minority* of workers in the global North, but now

encompasses the *majority* of workers in the developed capitalist world. While immigrant and non-white workers in the global North are subject to super-exploitation (through mechanisms which are never specified), Cope claims that the vast majority of workers in these regions are *not exploited*. They are the equivalent of the original *proletariat* of the Ancient Roman world – a layer of parasites who live off the exploitation of workers in the global South. Any militancy on the part of these workers – like the strikes and demonstrations against employers and the state during the current global crisis – are merely a defense of their *privilege*. Put another way, militant actions by well-paid workers in the global North seek to renegotiate the “division of spoils” – the division of super-profits pumped out of the global South – with their capitalist classes.

At the heart of Cope’s *empirical* defense of the labor aristocracy, thesis is an innovative attempt to *measure* the effects of unequal exchange between the global South and North. Although he attempts to produce data showing that profits repatriated from FDI in the global South are greater than previous estimates, he primarily relies on unequal exchange as the *main* mechanism for transferring surplus-value (profits) produced in the global South to the pockets of workers and capitalists in the global North. Cope bases his analysis on that of the Greek Marxist, Arghiri Emmanuel’s *Unequal Exchange: A Study of the Imperialism of Trade* (Monthly Review Press, 1972). For Emmanuel, unequal exchange is not the result of market manipulation, but of the operation of Marx’s law of value – that socially average necessary labor time regulates the production and exchange of commodities – on a global scale. Marx (1981, Part II) argues that the tendency to equalize profit rates *between* industries results in commodities not being exchanged according to their *value* (the socially average necessary labor time required for their production). Rather, commodities are exchanged according to their *prices of production* (the cost of means of production, raw materials and labor-power for each unit of output). If commodities were exchanged at their value, more labor-intensive (low organic composition of capital) producers would earn higher rates of profit – despite their less efficient use of labor – than more capital-intensive (higher organic composition of capital) producers. In other words, according to Marx’s law of value, less mechanized industries such as cocoa bean growers in Guatemala would generate a higher rate of return on investment than more technologically advanced industries such as car manufacturers in Detroit. Marx resolves this problem by insisting that competition between branches of industry transforms values into prices of production. As a result, there is a *transfer of value* from low organic

composition of capital (labor-intensive) producers to high organic composition of capital (capital-intensive) producers, equalizing profit rates between industries.

Emmanuel's theory is an elaboration of Grossman's (1992) insight about the equalization of profit rates across national boundaries. As the mobility of capital across the world creates a *global* profit rate, goods are exchanged on the world market according to their prices of production, not their value. The result is *unequal exchange* – the transfer of value from low to high organic composition of capital producers internationally. Emmanuel believed that production in the global South has a *uniformly* lower organic composition of capital than production in the global North. As a result, there is a *systematic* transfer of value from the less to more developed parts of the capitalist world. Unequal exchange explains both the persistent *underdevelopment* of capitalist production in the global South, and the emergence of a reformist and conservative labor aristocracy in the global North.

Cope, following Emmanuel, assumes that production in the global South has a *uniformly* lower organic composition of capital than production in the North. He then estimates the transfer of value from South to North through a fairly rigorous comparison of the value added (his proxy for surplus-value) to exports from the South to the North, and that added to the exports from the North to the South. Cope concludes that approximately \$20 trillion of surplus-value was transferred from the South to the North through unequal exchange in 2010. This transfer accounts, according to Cope's calculations, for the vast majority of the value of labor-power (wages) and surplus-value (profits) earned by workers and capitalists in the global North.

Despite the sophistication of his estimation of value transfers from the global South to the North, Cope's argument and evidence does not withstand critical examination. Clearly, the transformation of values into prices of production through the equalization of profit rates does involve a transfer of value, creating a potential for unequal exchange between low and high organic composition of capital producers. However, as Shaikh (1979, 1980) pointed out, production in the global South does not have a *uniformly* lower organic composition of capital than production in the North. In fact, the global South is the site of some of the most *capital-intensive* production in the world, in particular in natural resource extraction (oil, natural gas, mining, etc.). Put simply, unequal exchange between the global South and North does not *simply* produce a *one-way* transfer of value from the South to the North. It also produces transfers of value from lower

organic composition of capital producers in the North to higher organic composition of capital producers in the *South*. Without a rigorous *disaggregation* of the relative weight of labor- and capital-intensive exports from and to the global South, there is no evidence that workers in the global North benefit from unequal exchange and are, thus, a *necessarily* conservative or reformist social force.

## ALTERNATIVE THESIS ON WORKING CLASS REFORMISM AND CONSERVATISM

There is little or no question that:

the effective parties of the left in the imperialist countries have functioned as vehicles to enforce the partial regulation and socialization of capitalism, as opposed to having posed any serious threats to its replacement ... It is demonstrably absurd to meekly attribute the reformism of the working bourgeoisie to “false consciousness,” job insecurity (“precarity”) or Stalinist or social democratic “betrayal” as is typical amongst Western Marxists. (Cope, 2013, p. 115)

The question is how do we explain *why* the parties of the left and most workers, most of the time, in most societies – *including those of the global South* – embrace either reformism or conservatism.<sup>6</sup>

I start from Marx’s *materialism*, where social *practice* (the real relationships between humans and between humans and nature) determine the possible range of social *consciousness*. From this view point, *ideology* is not propaganda or false ideas poured into people’s heads, but *the mental road map we create of the lived experience of social relations*. Thus, working class consciousness, in all of its unevenness, must be understood in relationship to the *real experience of capitalist social relations*. The *contradictory* character of working class’ relationship with capital determines the *contradictions* of working class consciousness. Workers are *both* collective producers and competing sellers of labor-power. It is as *collective producers*, engaged in collective organization and struggle with capital, that workers are *capable of viewing themselves as part of a social class*. Put another way, only by *acting in a class manner against capital*, do workers experience their collective social power and experience themselves as a class opposed to capital. Thus, it the experience of collective, class action that produces *radical and potentially revolutionary* radical class consciousness among significant minorities of workers. It is as *competing sellers of labor-power*, attempting to improve their wages/working *at the expense of other workers*, that leads workers to

identify themselves along the lines of race/nationality, gender, sexual preference, citizenship, and the like. Put another way, when workers *act as competing sellers of labor-power*, engaged in a war of “all against all,” that different strata of the class embrace *sectional identities and ideologies* – *racism, nationalism, xenophobia, sexism, homophobia, etc.* Put simply, when workers have no experience of *successful* collective action against capital that sections of the working class are attracted to right-wing politics. This is not only true in the global North, but the global South as well, as evident in sharpening “ethnic” tensions among workers in southern Africa in the last decade, as “resident-citizen” workers in South Africa physically attacked migratory non-citizen workers from Zimbabwe and Mozambique.

For Marx, the foundation of capitalist social relations of production is the necessity of both capital and labor to reproduce themselves through the market – through competition. Labor-power becomes a commodity *only* when workers are effectively *separated from the means of production and subsistence*, compelling workers to sell their labor-power to capital in order to survive. The separation of workers from the means of production/subsistence produces *the necessarily uneven character of working class collective activity and class consciousness*. Put simply, most workers cannot be permanently engaged in strikes and other forms of *radicalizing* social disruption because they would *starve*. Thus, mass working class struggle is *necessarily episodic*. As a result, the working class is divided, most of the time under capitalism, into three strata, *distinguished by their level of class organization, activity, and consciousness*.

In “normal periods” (not the exceptional periods of mass strikes or revolutionary upheavals) most workers are engaged in the day-to-day struggle to survive under capitalism – working under despotic supervision of capital, attempting to keep their jobs, and trying to reproduce themselves and household members. This *passive majority of workers* will tend to look to “others” to defend and advance their interests. At best, they will embrace a *conditional reformism* – the hope that routine bargaining, the grievance procedure and electoral politics will defend and improve their conditions of life under capitalism. Put another way, they will want union and party officials union to “take care” of their problems at work and beyond, rather than engage in job actions and street protests. At worst, especially when unions are weak, the passive majority will become open to sectoral identities and ideologies – to the appeals of racism, nationalism, sexism, and the like.

The position of the *labor officialdom* – the small minority of workers who assume responsibility for union or party organization – is quite

different from the passive majority of workers. They are semi-professionals, who organize their own work (not under the supervision of capital) and possess specialized knowledge (contracts, grievance procedures, labor law, electoral campaigns, parliamentary maneuvering, etc.), which allows them to envision themselves as equals to, and potential *partners* of capital. Their distinctive social conditions of life do *not* rest on the success of the struggle with the employer or the state. Instead, it is based on the *continued existence/stability of the union or party as a formal organization*, which bargains with employers, collects dues, and holds positions in the capitalist state. If the union or party as a formal organization is destroyed – loses bargaining rights, the capacity to collect dues, or seats in parliament or local government – then the union or party official will *fall back into* the working class. The union and party officialdom develops a distinctive world-view – *unconditional reformism*. They remain wedded – unless compelled by an independent mobilization of the ranks – to routine bargaining, grievance procedures, electoral politics, all of which *promise* to advance the interests of their members without the *risks associated with mass struggle*.

The *paradox* of reformism is that party-union officialdom remains wedded to increasingly ineffective methods of *reformism*. Put another way, they will hold onto routine bargaining and electoral politics whether or not they produce reforms – or even, as we have seen throughout the capitalist world since 1980, produce continuous *concessions* to capital – because *they have no alternative*. The union officials, unless compelled by independent movements from below, will not risk their social position through militant and illegal actions. Thus, it is not surprising that in periods of declining mass struggle, the mass industrial unions, and political parties of the Brazilian (CUT and PT) and South African (COSATU) working classes have become bureaucratized and their leaderships embraced reformist – and ultimately neo-liberal – politics in the same manner as the labor officialdom in the global North.

The third layer of the working class is the *militant minority* or *workers' vanguard* – that minority of workers who “remain active during the lulls of the class struggle.” Historically they are the lay union officials – stewards and the like – who organize job actions over working conditions and push for broader and more militant struggles. They find themselves bucking heads with the union officialdom, while trying to engage broader layers of the usually passive working class. Usually the most radical and class conscious sections of the working class – the social basis for left-socialism and communism in the working class in the pre-World War II era.

The relative strength, militancy and radicalism of workers movements are the product of the *relationship of forces* between these three sectors. Since the 1930s we have seen the disorganization and decline of the workers' vanguard across the capitalist world as the main organizations of the militant minority – the Communist Parties – embraced the strategy of the “popular front” and became, politically and sociologically, *social-democratic* parties (Post, 2012). The resulting weakening of the layer of workers most likely to organize resistance to capital left the passive majority of the working class to rely solely on the increasingly ineffective methods of the party-union officialdom across the capitalist world. As the unions and social-democratic parties gave up the struggle for reforms after *circa* 1980, often embracing anti-working class neo-liberal policies, the passivity of the majority of workers deepened. In the past decade, renewed struggles against neo-liberalism and austerity, in both the global North and South, have created the *possibility* of the renewal of the workers' vanguard and the revival of radical, anti-capitalist working class politics. Ultimately, the future of working class radicalism *across the world* depends upon the success or failures of these struggles.

Cope's critique of my work on the labor aristocracy and his own book are important contributions to much needed discussions among Marxists on the problems of international political economy and the determinants of working class consciousness and activity. Unfortunately, Cope's approach relies on highly problematic theoretical notions and methodological approaches. His account of the global transfers of value starts from the highly problematic notion of *monopoly* and tends to greatly simplify the empirical realities of global capitalist production. Cope's tendency to reduce the complex problems of class formation to one of income differences *among* workers ends up reproducing the caricatures of Marxism that sees impoverization as the key to working class radicalism. I hope my response clarifies some of these issues and will open the way to more productive theoretical and empirical discussions.

## NOTES

1. Cope argues that “monopoly capitalists” (oligopolies) require a labor aristocracy to provide “those few giant firms dominating key industries – with the secure and thriving consumer markets necessary to capital's expanded reproduction” (p. 107). This *under-consumptionist* argument is both theoretically problematic and has *little or no empirical basis*. See Shaikh (1978, 1989, 2010).

2. Cope (2013, p. 111) revives the notion that the uneven and combined development of capitalism on a world scale – the successful capitalist industrialization of the global North – was the result of “massive infusions of capital which result from global surplus-value transfer and the all too obvious facts of Northern working class consumption goods being the product of super-exploited Third World labor.” While the notion that plunder, mercantile fraud, unequal exchange, and other forms of imperialist super-exploitation over the last five centuries is a “significant” source of capital invested in the global North is a common argument on the left, it has little historical foundation.

If outright plunder in the sixteenth and seventeenth centuries were a significant source of capital accumulation, then Spain and Portugal – the most effective early modern pre-capitalist empires – should have experienced the breakthrough to industrial capitalism well before England in the eighteenth century. Similarly, if profits from slave-based plantation agriculture in the Caribbean and the transatlantic slave trade in the seventeenth and eighteenth centuries were decisive to the capitalist industrialization, then France – which possessed the most lucrative plantation island, St. Domingue, now Haiti – should have preceded England in the industrial revolution.

Ellen Wood (1999, p. 101) provides an alternative explanation of the relationship of colonial plunder to the breakthrough to industrial capitalism based on Blackburn's (1997, chapter XII) analysis of plantation slavery in the New World:

Marxist historians have persuasively demonstrated, against many arguments to the contrary, that the greatest crime of European empire, slavery, made a major contribution to the development of industrial capitalism. But here, too, we have to keep in mind that Britain was not alone in exploiting colonial slavery and that elsewhere it had different effects. Other major European powers – France, Spain, Portugal – amassed great wealth from slavery and from the trade in addictive goods like tobacco which, it has been argued, fueled the trade in living human beings. But, again, only in Britain was that wealth converted into industrial capital – and here again the difference lies in the new capitalist dynamic which had already transformed the logic of the British economy, setting in train the imperatives of competitive production, capital accumulation, and self-sustaining growth.

Put simply, the breakthrough to capitalist industrialization in Britain in the eighteenth century – and the continued accumulation of capital in the global North today – is primarily the result of the specific economic dynamism of capitalist social relations of production. The breakthrough to capitalist class relations in English agriculture in the sixteenth century was the result of a unique series of struggles between peasant farmers and landlords (Brenner, 1985a). These struggles unleashed a dynamic that compelled farmers to “sell to survive” – to specialize, accumulate, and innovate in order to survive in the competitive market place. The development of agrarian capitalism in the English countryside paved the way for industrial capitalism – through the creation of both a mass of property-less wage workers from the ranks of “failed” capitalist farmers, and a “home market” for capitalist produced consumer and capital goods.

3. Thanks to Kim Moody for compiling these tables.

4. Equally problematic is Cope's (2013, p. 115) claim that white workers in South Africa constituted a "labor aristocracy" concerned solely with defending their privileges vis-à-vis African workers. In fact, "white workers" were actually a new middle class of *supervisors*, not workers.

5. A similar pattern was evident in Germany in the late 1920s and early 1930s. Steadily employed workers, mostly older and skilled, either voted Social-Democratic or abstained from voting. The Nazis main electoral support came from the traditional (self-employed) and new middle classes (professionals, managers) and *the unemployed* – the latter also tended to vote for Communists during the "Third Period" when the Communists tended to equate social-democracy and fascism. See Allen (1965), Part I.

6. This section, which summarizes Post (2006b), is based on Mandel (1970), Brenner (1985b, 1993), and Brenner and Brenner (1981).

## ACKNOWLEDGMENT

I want to thank the editors of *Research in Political Economy* for the opportunity to respond to Cope's (2013) critique of my work on the labor aristocracy (Post, 2006a, 2006b, 2010). The question of the roots of working class reformism and conservatism is a crucial one for the global anti-capitalist and Marxist left. The debate on whether or not higher than average ("super" or "surplus") profits derived from colonialism, imperialist investment, or global monopoly-oligopoly is the basis for the higher standards of living of workers in the developed capitalist countries is not simply a "theoretical" issue. At stake is whether or not workers in the global North are *potentially* anti-capitalist and revolutionary or are *materially* tied to their own ruling classes.

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