Assessing cy.Rev:
A Commentary on Stalin's Opposition, Central Plans and Utopian Premises

By Louis Proyect

The Chicago area computer programmers and activists who decided to start a new journal called cy.Rev chose wisely to publish on the World Wide Web of the Internet. This is a great example of merging medium and the message after the fashion of Marshall McLuhan. The driving force behind this project is Carl Davidson, a leader of SDS in the 1960s and a writer and editor of the Guardian Newspaper during the 1970s. In recent years Davidson has done computer consulting for non-profit groups and unions in the Chicago area and believes passionately in the new technology.

Davidson and others organized themselves into the Chicago Third Wave Study Group which started cy.Rev in an effort to promote their ideas in "cyberspace". They dubbed themselves "Third Wave" because the futurists Alvin and Heidi Toffler were a strong influence on their vision of socialism. The Tofflers have been promoting the Third Wave theory like missionaries for years. Only since the arrival of personal computing and the Internet has "Third Wave" theory achieved the kind of high profile the Tofflers have sought for it over the years.

What exactly is the Third Wave? Put simply, the theory states that there are three important "waves" in social history: (1) rural societies based on agriculture, (2) urban societies that emerged with the industrial revolution, and (3) the information-based world in which we currently reside. The United States is in the throes of this third microchip-inspired wave. Most of its difficulties are the fault of its inability to migrate smoothly out of the "Second Wave" of dying smokestack industries into the promised land of computer networks and knowledge-based industries.

Newt Gingrich is a booster of the "Third Wave." So is Wired Magazine, a cosponsor of high-tech conferences with the Georgia reactionary. Davidson and the editors of cy.Rev want to cut the ties between "Third Wave" theory and its right-wing supporters and enlist in on behalf of a technologically supercharged version of market socialism. Not surprisingly, they blame the problems of traditional Marxism as having been too closely connected with "Second Wave" thinking. Such thinking gave birth to Stalinist bureaucracies where investments in heavy industry took priority over the technology of the information revolution.

There is a strong green emphasis in cy.Rev which argues that "Third Wave" socialism can also help to alleviate the environmental crisis. Both "Second Wave" capitalism and socialism have caused environmental degradation, despite the best intentions of governments east and west: "This feature of industrial society is not a problem of the distant future. It is the 'dirty little secret' of today's world standing behind the rising the conflict between North and South. The truth is that we cannot have economic equality among nations based on today's levels and standards. If every country in the world were organized on just the same level and just the same types of production and consumption that are 'enjoyed' in the either the U.S., or Europe, or Japan, or even the former Soviet Union, the resulting polluted biosphere would render the globe uninhabitable for humans."

Rejecting the development model of the former USSR, cy.Rev places itself squarely in the market socialism camp:

"In our view of socialism, we affirm the entrepreneurial spirit, the motivating energy of the market and the right of individuals to become wealthy through the private ownership of the capital they have helped to create. At the same time, we fundamentally reorder priorities in how both property and capital is defined. While both personal property and capital may still be owned by individuals. we no longer see ownership as an absolute power. Property, especially productive property in the form of capital, is to be seen primarily as a social power relation that can be guided and regulated, just as other power relations are regulated for the common good of society. Incomes are also subject to progressive taxation."

According to cy.Rev, the biggest obstacle to a smooth transition to "Third Wave" socialism in the United States is the stubborn tendency of jobs to disappear in capitalist society. They draw attention to studies such as Jeremy Rifkin's "The End of Work" and Stanley Aronowitz and William DiFazio's "The Jobless Future" which attempt to explain this problem. Both books take note of the replacement of blue-collar jobs through automation. Rifkin's solution is to create more jobs in the non-profit world of museums, schools and parks and the like. Davidson sympathies lie with the socialists Aronowitz and DiFazio (Aronowitz has recently joined the editorial board of cy.Rev). Reduction of work hours, regulation of capital to prevent capital flight, quality education with an accent on computer skills, a guaranteed income and a new research agenda geared to human needs rather than private profit are some of the solutions they propose in "The Jobless Future."

In addition to promoting this vision of "Third Wave" socialism, cy.Rev also includes useful articles that cover the proliferation of high-technology into the world of non-profits, unions, educational institutions and the progressive movement. One of the more interesting articles appears in the premier issue is "SoliNet: Electronic Conferencing for the Trade Union Movement" by Marc Belanger of the Canadian Union of Public Employees. SoliNet is a public computer conferencing system open to the labor movement and its allies with approximately 1500 users. According to Belanger, it probably the world's only such system owned and operated by a union.

Cy.Rev is a refreshing alternative to the "Neo-Luddism" of Kirkpatrick Sale or the anti-technology jeremiads of Neil Postman. Postman complains in "Technopoly" that, "In automating the operation of political, social and commercial enterprises, computers may or may not have made them more efficient but they have certainly diverted attention from the question whether or not such enterprises are necessary or how they might be improved. A university, a political party, a religious denomination, a judicial proceeding, even corporate board meetings are not improved by automating their operations.

They are made more imposing, more technical, perhaps more authoritative, but defects in their assumptions, ideas, and theories will remain untouched. Computer technology, in other words, has not yet come close to the printing press in its power to generate radical and substantive social, political, and religious thought. If the press was, as David Riesman called it, 'the gunpowder of the mind,' the computer, in its capacity to smooth over unsatisfactory institutions and ideas, is the talcum powder of the mind."

Anybody who has implemented computer systems for trade unions or liberation movements will find Postman's views one-sided and excessively pessimistic. If nothing else, cy.Rev's unbridled enthusiasm for computer technology is a much needed counter-balance to the gloom-and-doom warnings of a Sale or a Postman. Where cy.Rev errs, it is in the way it too closely identifies with the "information revolution" hype promoted relentlessly in Wired. One of the more glaring examples is the kid gloves treatment of Robert Reich in Carl Davidson's review of "The Work of Nations: Preparing for 21st Century Capitalism."

According to Davidson, "Reich makes a convincing case that it is both impossible and reactionary to try to prevent the globalization of the market. Instead, he poses a strategic question: Rather than trying to prevent low-wage, low-skill jobs from leaving the United States, why don't we try a policy that would encourage high-wage, high-skill jobs to come into the U.S., regardless of the nationalities of the investors." While Reich believes that a new generation of "symbolic analysts" will ease transition away from smokestack industries, Davidson warns that the biggest obstacle to this transition is the "savage inequalities" in our school system. He quotes approvingly Reich's desire to see "excellent public schools in every city and region and ample financial help to young people who wanted to attend college and substantial additional investments in universities, research parks, airports and other facilities conducive to symbolic-analytic work."

One of the most perceptive critics of "information revolution" hype is Doug Henwood, whose indispensable Left Business Observer covers the high-technology beat on a regular basis. Henwood is no neo-Luddite himself and maintains an electronic version of LBO on the World Wide Web while making his presence felt on numerous Internet mailing lists.

In his review of James Brook and Iain Boal's Resisting the Virtual Life, Henwood makes a number of keen observations about the "information revolution" hype and Robert Reich's role in it. Leaving aside the unlikely possibility that American capitalism is capable of improving its public schools to the level necessary to turn out "symbolic analysts," Henwood questions of the availability of such jobs in the future:

"Is there any truth to Reich's blather? How big is the high- tech, infobahn workforce now, and how big is it likely to get? The share of the workforce employed directly in information superhighway kinds of tasks is well under 2% -- and that includes people who design, make, and program computers, chips, and telecommunications equipment. Business purchases of computer and telecommunications equipment totals just over 2% of GDP. What the Bureau of Labor Statistics (BLS -- an agency within the department Reich now heads) calls scientists, engineers, and technicians now constitute about 5% of the total workforce. By 2005, it reckons, these workers will account for all of 5.6% of total employment. Looking at high-tech industries rather than workers gives an even less impressive picture; now they account for just over a quarter of total employment, but by 2005 their share is likely to fall by over a percentage point. The number of systems analysts and computer scientists will grow dramatically, yes -- by almost 80%. But since there are under a half-million of such folks now, their share of the workforce will remain nearly invisible to the naked eye. The same can be said of computer programmers, electronics engineers, and biotech scientists."

This leads us to another premise accepted uncritically by cy.Rev, the "disappearance of jobs." Is it the case that machines are replacing human labor to the extent that we face a totally redundant workforce beyond the 21st Century?

In his review of Jeremy Rifkin's "End of Work," Henwood observes that "People have been worrying about machines replacing human labor since the beginning of capitalism. Yes, machines do replace workers -- but employment nonetheless continues to expand, quadrupling in the U.S. over the last 60 years. In most parts of the world, aside from Europe and Africa, employment is growing. Throughout history, capitalism has constantly drawn new people into paid labor, though the demand for jobs always outstrips the system's capacity to provide them."

Clearly the task of mapping the future trajectory of capitalism in the 21st century will test the capacities of any professional "futurist", especially those of the Marxist persuasion. Immediately after WWII, the Marxist left in the United States anticipated economic depression and revolutionary upsurge. Instead we got the growth of suburbia, widespread availability of consumer goods and a quiescent working-class.

Certainly there are profound changes occurring in the American economy, but it would be a mistake to rule out the creation of many new industrial jobs. For example, the current generations of mostly middle-aged auto workers are getting ready to retire. Some experts in the auto industry predict wide-scale hiring over the next ten years. The critical question of course remains whether these will be well-paying union jobs or not.

Another problem with cy.Rev is that it seems to never consider the possibility that the progressive movement has alternatives to Sale's neo-Luddism or a brokered marriage between the Tofflers and Karl Marx.

To start with, there were alternatives to polluting heavy-industries in the USSR. What happened historically had little to do with Marxism's embrace of a "Second Wave" model, but instead had more to do with Stalin's go-for-broke rapid industrialization schemes. Stalin put through his wasteful and grandiose projects against the advice of the Soviet Union's most talented and pro-socialist engineers. Loren Graham's "Ghost of the Executed Engineer" is a penetrating study of the fate of one such engineer who stood up to Stalin.

Peter Palchinsky, a civil engineer, joined the Communist Party shortly after the 1917 revolution. Palchinsky supported the idea of planning. He believed that the Soviet Union opened up possibilities for industrial development that were impossible under Tsarism. He thought that engineers could play a major role in the growth of socialism.

Palchinsky argued against the type of gigantic enterprises that had captured Stalin's limited imagination. He noted that middle-sized and small enterprises often have advantages over large ones. For one thing, workers at smaller factories are usually able to grasp the final goals more easily.

He also believed that the single most important factor in engineering decisions was human beings themselves. Successful industrialization and high productivity were not possible without highly trained workers and adequate provision for their social and economic needs.

His differences with Stalin's pyramid-building approach erupted over the Great Dneiper Dam project, one of the most fabled 5-year plan projects. Palchinsky made the following critiques. The project did not take into account the huge distances between the dam and the targeted sites. As a consequence, there would be huge transmission costs and declines in efficiency.

Also, the project did not take into account the damage resulting floods would cause to surrounding farms situated in lowlands. Some 10,000 villagers had to flee their homes. As the project fell behind schedule and overran costs, the workers' needs were more and more neglected. The workers suffered under freezing conditions, living in cramped tents and barracks without adequate sanitary facilities. TB, typhus, and smallpox spread throughout the worker's quarters.

Palchinsky argued forcefully against projects such as these and offered a more rational, humane and less ideologically driven approach. In other words, he stressed sound engineering and planning

methods. He helped to organize a study group dedicated to his principles. Palchinsky and other engineers who opposed Stalin's bureaucratic system allied themselves to some extent with Bukharin and Rykov who had often defended engineers and their approach to industrial planning. Stalin cracked down on the Bukharin opposition around the same time as he attacked dissident engineers and had Palchinsky imprisoned. The engineer died behind bars two years later.

Even if one argues that the Stalinist forced march was necessary for the survival of the USSR, we still should not close our eyes to alternative visions to Stalin's heavy-industry model. Newly industrializing nations like China need alternative models since they are facing the same issues that Soviet Russia faced when it undertook projects like the Great Dneiper Dam. Ambitious schemes to develop hydroelectric capacity in China are threatening the ecology of the region on a mammoth scale. There must be other options besides "Second Wave" pyramid-building schemes and "Third Wave" Silicon Valley daydreams. Chinese hospitals and schools need electricity before they have electronic networks, and the Palchinsky course is the most rational way to get there.

There are other efforts to reconcile computer technology and socialism that differ quite strikingly from cy.Rev's "Third Wave" vision. W. Paul Cockshott and Allin Cottrell co-authored "Towards a New Socialism: a Post-Soviet Model" to promote such a vision. Cockshott is a computer systems engineer and his expertise helps to give the book a firm grounding in the technology it espouses. They advocate centralized planning though the wide-scale use of networked computers, rather than the decentralized version of market socialism that cy.Rev embraces. Instead of rejecting a Soviet-type model out-of-hand, they present a re-engineered version.

Cockshott and Cottrell argue that the labor theory of value can provide the underpinning for both wages and prices in a socialist society. If we can quantify how long it costs to produce something, then we should not only be able price it accurately but make sure that factories can do it on time. This seems somewhat like the operating principle of the former Soviet Union, so why didn't it work there?.

The answer is two-fold. Besides the lack of democracy, there was also inadequate information available to economic planners. Only sophisticated computer systems can provide this information. They say, "If we want to get a more objective source of cost data, we need a system of data collection that is independent of the market. This is where computer technology comes in. We need a computerized information system that gives production engineers unbiased estimates of the labor time costs of different technologies."

The recent infatuation with market pricing in formerly socialist nations seems oddly placed, given the generally irrational nature of the market itself. Cockshott and Cottrell note that "market prices are used as a cost indicator in capitalist countries, but they have a certain arbitrary character. An artist dies in poverty. A few decades later his pictures change hands for millions. A sudden panic hits the stock markets. In a matter of hours hundreds of billions are wiped of stock prices. Farmers destroy crops because the prices are too low. Walk through the poor areas of a British or American city and you will see the pinched faces and stunted figures of people for whom food is too expensive."

If the proper computation of labor values is necessary for economic planning, what is better, according to Cockshott and Cottrell, to perform this function than modern supercomputers. Scientists use them for weather forecasting, atomic weapons design, oil prospecting and nuclear physics. Would it not be reasonable to expect a national planning bureau to make use of them as well?

They, like the publishers of cy.Rev, are cyber-optimists but welcome the idea of state management of the economy. They make the case succinctly for a mix of advanced automation and old-fashioned "state socialism":

"If detailed plan-balancing is way beyond the reach of the human brain, can the calculations be performed successfully using computers? Our answer will be `yes', but we wish to anticipate some criticisms. During the 1960s, as mainframe computers began to become widely available, many Soviet economic cyberneticians were very optimistic, but since that time the overall impact of the computer on Soviet planning has disappointed those early expectations. Of course it was not just in the USSR that the benefits of computerization were greatly oversold in the 60s. Computerization is no panacea. There are many problems with the economic mechanism in the USSR which would have to be tackled before the application of extra computer-power can be expected to yield much of a dividend. (One example: the irrational and semi-fossilised pricing system, with the prices of many goods stuck at levels which guarantee shortages and queues.)

But having said that, the computer and telecommunications technology of the late twentieth century does present striking opportunities for the regulation of the economy. We believe that the more real danger at present is an over-reaction to the `failed promise of the computer'. One should remember that the USSR is somewhat behind the West in computer technology, and the types of computer system available to Soviet planners in the 60s and even 70s were primitive by today's Western standards. They were also very centralised (relatively few big mainframes), while the system we will propose makes use of both massive fast mainframes and widely-distributed PC-type equipment, linked by the national telecommunications system. And a political point is relevant here. Our planning proposals absolutely require a free flow of information and universal access to computer systems, and this was politically impossible in the USSR under Brezhnev. Even access to photocopying equipment was strictly controlled for fear of the dissemination of political dissent. While we are critical of the direction of some of the economic reforms currently underway in the Soviet Union, there is no doubt that the policy of glasnost is a precondition for the type of system we envisage."

As opposed to cy.Rev, the approach of Cockshott and Cottrell is much more consistent with the original vision of Marx. Marx embraced the technological advances that capitalism produced but sought to eliminate the private ownership of capital. In the aftermath of the collapse of the USSR, there has been a tendency to reject all aspects of Soviet society. The failure of the market to produce a higher standard of living in of the formerly socialist societies has begun to raise questions about the promise of capitalism itself.

The problem, however, with cy.Rev and Cockshott-Cottrell alike is that their vision of feasible socialisms rest on utopian foundations. They view computers as the key that can unlock the door to a more just and humane society. What they both fail to take into account is the historical agency that can abolish existing class relations in order to prepare the way for a computer-based socialism.

Market socialism and the dialectical opposite put forward by Cockshott-Cottrell view the failure of the former Soviet Union as a product of a deficient formula. It as if architects and engineers were doing a post-mortem on a collapsed structure. An inadequate design could cause a bridge to collapse, if for example wind stress factors were not taken into account. This is a bad way to understand the former Soviet Union however.

Socialist societies do not come into existence through blueprints. In every single case they are the products of explosive clashes provoked by war, economic dislocation, repression, and other profound

shocks to the system. Furthermore, there is usually a huge gap between the development goals of revolutionaries once they take power and the technical and professional infrastructure required to implement them. When you combine this with the economic blockade or outright warfare imperialism tries to abort embryonic forms of socialism with, it is a miracle that any socialist society can move forward. Cuba remains the one society that seems dedicated to socialist goals even though capitalist pressure continues to extract compromises.

There was one other revolutionary society that for a brief period appeared to embody the economic and social justice goals of Cuban society while observing the need for democratic liberties. That society was Sandinista Nicaragua. The general direction of the Sandinista revolution was dictated by the exigencies of the class struggle nationally and internationally, however, and not by any blueprint. If anything, the difficulties faced by the Sandinistas dramatizes the futility of trying to build socialism on the basis of any pre-existing schema.

What inspired the Nicaraguan people to make a revolution was not some utopian plan but a sheer need for survival. Ravaged by the plagues of Somoza kleptocracy, earthquake and economic backwardness of a biblical dimension, they fought back for education, health care, jobs and end to repression. The Russian people likewise mobilized for "Bread, Peace and Land" without a clear idea of what would follow. So when the Sandinistas marched into Managua in 1979, they faced a situation similar to the one that Laurent Kabila faces today in the Congo. The masses have high expectations but a new government lacks a detailed plan how to fulfill them.

The forms of statehood that the Sandinistas adopted could only be related to the existing objective conditions. They nationalized all of Somoza's properties while leaving most other large and medium sized ranches in private hands. This "mixed economy" was a function not of an ideological commitment to market socialism but rather the recognition that the working class of Nicaragua was too weak to impose its will on the rest of society.

Management of state properties was a daunting task. The Nicaraguan state lacked experienced economists, statisticians, managers and clerks to coordinate the activities of state-owned banks, farms, mills and transportation. They did, however, make a commitment to using computer technology to make up for the short-fall of experienced professionals. For example, in the Central Bank an American volunteer working with an organization called Tecnica trained Nicaraguans to use Lotus 123 to convert foreign currency holdings into the Nicaraguan equivalent. A department of six college-educated Nicaraguans laboring with pencil and paper found that it could do the same work with just one person and a computer. In another dramatic example of the power of computer technology, an American volunteer from the same organization created a spare-parts database on a personal computer that major state owned and private manufacturing plants in Managua both took advantage of. This meant that breakdowns on an assembly line were repairable in a matter of hours rather than weeks.

American imperialism exhausted the Nicaraguan revolution and American volunteers eventually found themselves replaced by Somocista returnees from Miami eager to make a quick buck in "free" Nicaragua. One of the great tragedies of the defeat of the Nicaraguan revolution is that removes a shining example of what a feasible socialism might look like. This example was not created on the basis of a inspired plan. Instead it issued out of the struggle of ordinary human beings to make a better life for themselves against overwhelming odds and with both the tools and society they inherited. This will be true of any revolution in the future as well.

References:

The home page of cy.Rev is www.cyRev.net

The home page of LBO is www.panix.com/~dhenwood/LBO_home.html/

"Towards a New Socialism" (Nottingham, Spokesman, 1993) is available in an electronic, text-only version on the Communications for a Sustainable Future Gopher in Colorado under Economics-Authors.

Labor and Community Conferences Held This Summer