

## **The upturn/downturn debate: an introduction**

*Ian Allinson summarises a debate on the development of capitalism since 1968, and how this has impacted the working class and its struggles, in an attempt to address the question of what revolutionaries should do.*

*This summary was written early in 2015 and is published here for the first time. While pre-dating the failure of Syriza, the election of Corbyn and the rise of a new authoritarian right, the questions it raises remain pertinent to our present moment.*

The notion of an upturn and downturn in class struggle has a long history in the International Socialist tradition. The concept of a downturn was used to describe the failure of the preceding upturn, the wave of class struggles between the late 1960s and mid-1970s. But do these terms offer much power to explain subsequent developmental tendencies of capitalism and how these interact with questions of class consciousness, confidence, political cohesion and ability to challenge?

When thinking about the state of class struggle today, the first thing we need to do is to get past the binary categories 'upturn' or 'downturn'. The saying that generals prepare for the last war applies with equal vigour to socialists who keep preparing for the last upturn.

The upturn in question came at the end of the long boom – a historically exceptional period that should not use be used as a reference point. There is no such thing as 'normal' capitalism – it is an unstable, developing, system – and capitalism certainly is not 'normally' like the 1950s.

By tracing the phases in the development of capitalism, and how that has shaped the working class and its struggles, we can begin to work out the question of what revolutionaries should do.<sup>1</sup>

### **1. The upturn: rising workers' and liberation struggles**

The upturn was a period of rising class and social struggles stretching broadly from the Tet Offensive in January 1968 to the end of the Portuguese Revolution in November 1975.

The breadth and general nature of the upturn can be shown by listing a number of the key struggles which took place during the period:

- A militant response by workers in the West and more developed areas of the East (e.g. Poland) to initial attempts by capital to relocate in response to declining profits.
- Revolts against undemocratic states in the Mediterranean (notably in Spain, Portugal and Greece), Eastern Europe and parts of Latin America.

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<sup>1</sup> This article summarises debate that took place on Facebook in 2014 and which involved comrades beyond rs21 or Britain.

- Struggles within Stalinist regimes (above all China) over a developmental strategy, often involving subordinate groups but rarely involving them acting independently.
- The final stages of the liberation struggle against colonialism (especially in Portugal's African colonies), semi-colonialism (Indochina) and the remaining ancien régimes (Ethiopia).
- Liberation struggles (sexual, ethnic, student, etc.) mainly in the West.

While the industrial struggles responded directly to the end of the long boom, the national liberation struggles were the climax of a process of decolonisation from the end of the First World War.

In Britain post-war workplace trade unionism took advantage of full employment to practice what the International Socialists called 'DIY reformism'. Strikes were often short, unofficial, sectional and successful. Employers wanted to settle and carry on making profits, and could afford to do so.

The power of workers in the workplace was obvious to all, and directly experienced by lots of workers. As the boom ended, employers sought to push costs on to workers, but faced strong and often successful resistance from organised and confident workers.

## **2. The downturn starts: vanguard neoliberalism**

The downturn<sup>2</sup> ended the processes listed above on the bosses' terms, with the partial exception of the industrial response which continued unevenly in various countries. Writers in the International Socialist tradition were not alone in recognising the shift. Eric Hobsbawm<sup>3</sup> thought workers had been decisively defeated, and drew right-wing conclusions, as did Stuart Hall. Tony Cliff focused on winning an argument (against people like Steve Jeffreys<sup>4</sup>, but particularly among industrial militants) that the newly formed Socialist Workers Party must adapt to the downturn. This led him to emphasise local British factors, and to a tendency within the SWP to see the downturn as temporary<sup>5</sup> and to focus on the immediate causes which impacted on the balance of class forces.

Cliff stressed the following factors: incomes policy; the massive establishment of productivity deals which were associated with the weakening of the independence of convenors and shop stewards; spreading of workers' participation in industry; the move to the right of 'left' trade union leaders like Jack Jones and Hugh Scanlon; the integration of convenors into the trade union structure; the role of the Communist Party as the main organiser of rank and file activists in industry, both in supporting workers' participation and in supporting the left union officials; the ideological trap of the

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<sup>2</sup> <https://www.marxists.org/archive/cliff/works/1978/04/interview.htm>

<sup>3</sup> [http://banmarchive.org.uk/collections/mt/pdf/78\\_09\\_hobsbawm.pdf](http://banmarchive.org.uk/collections/mt/pdf/78_09_hobsbawm.pdf)

<sup>4</sup> <https://www.marxists.org/history/etol/writers/jefferys/1979/xx/into80s.html>

<sup>5</sup> <https://www.marxists.org/history/etol/writers/callinicos/1982/xx/rfmvmt.html>

concept of 'profitability', 'viability', etc., combined with a loyalty to Labour, even when Labour attacked workers' living standards; the impact of the economic crisis – cuts and sackings.<sup>6</sup> Cliff also identified that employers were becoming more aggressive. It wasn't just our side that changed.

Chris Harman<sup>7</sup> gave a broader, more international perspective, based on earlier work on political economy that had been carried out within the International Socialist tradition. As the permanent arms economy (especially based on US arms spending) which had sustained the boom, had run out of steam, the long boom was over, resulting in the resumption of capitalist crisis in a way that would be as intractable as in the 1930s. He concluded that the downturn in class struggle would be temporary as workers reacted to the impact of the recession.

Neil Davidson<sup>8</sup> writing much later has referred to this downturn period, marked by major defeats for workers (especially under Thatcher in Britain) 'vanguard neoliberalism'. Though most identified with Thatcher, it included the policies of the Labour government and unions during the late 1970s; particularly the turn to monetarism by the Labour Chancellor Dennis Healy following the IMF's intervention in the British economy in 1976; and wage restraint under the Social Contract.

At the time Cliff emphasised the Communist Party's role in selling the Labour Government's Social Contract to union members. The CP had many members well rooted within the unions. Cliff believed the process was aided by the rising bureaucratisation of workplace trade unionism through incorporation, facility time and full time convenors.

For Cliff and Harman the downturn began before the Social Contract. In any case this was a local British factor that cannot explain the international scale of the downturn. Building on their critique of the CP in the British unions, and the Labour government, they noted how Stalinism and reformism had come to dominate the labour movement worldwide and were playing a key role in derailing struggles.

Jonathan Neale's book *What's Wrong with America* (2004) builds on this perspective by arguing that the downturn involved a global neoliberal offensive. He highlighted four defeats of global significance: the British miners' strike (1984), the US air traffic controllers' strike (1981), the Mumbai textile workers' strike (1980), the urban uprisings in China (1989).

Despite this general picture, there were exceptions, where the number of strikes increased during this period - South Africa, Turkey, Greece, Finland, Canada and South Korea. Yet the overall global tendency was not checked by these cases.

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<sup>6</sup> <https://www.marxists.org/archive/cliff/works/1979/xx/balance1.htm>

<sup>7</sup> <https://www.marxists.org/archive/harman/1979/xx/eurevleft.html>

<sup>8</sup> <http://isj.org.uk/the-neoliberal-era-in-britain-historical-developments-and-current-perspectives/>

The downturn analysis helped protect the SWP from exaggerated expectations that impacted heavily on other parts of the far left, but its causes received inadequate attention. The notion that it heralded a new phase of capitalism was never seriously considered. Despite discussion of the changing working class<sup>9</sup> in the late 1980s, the tone was largely defensive, focusing on the continued existence of the working class, rather than focusing on how changes might shape future struggles.

This silence over why the downturn had happened and how it might end was unusual, given the history of the International Socialists. Previous theoretical developments, notably the theories of state capitalism<sup>10</sup> and the permanent arms economy<sup>11</sup> had identified internal contradictions that would limit the ability of the state and arms spending to keep capitalism free of crisis. For example, the SWP recognised that state capitalism could be more dynamic than free market capitalism in certain periods – the Eastern bloc once had higher growth because states could direct more capital at particular markets more efficiently than private companies could. But this ended with the dominance of multinational firms marshalling capital on an even greater scale. Privatisation changed the relationship between state and capital. The state moved from production to the purchasing, oversight, regulation and policing of production – an important development within capitalism itself, which remains to this day.

In the case of the downturn, the assumption that it was a short-term phenomenon which could not be sustained in the context of ongoing capitalist crisis meant little effort went into understanding its deeper causes or what their contradictions and limits might be. The downturn concept helped re-orientate the SWP in the short term. For instance, the SWP recognised a ‘political upturn’ from 1979 to 1983 with the likes of Benn and the Labour Left. But the party was brutally realistic in its assessment that radical politics alone could not sustain victories in the context of industrial downturn. However, the failure to theorise beyond the downturn concept left the organisation unable to foresee how or when it would end – and repeatedly mistaking every outbreak of struggle for the beginning of the next upturn.

### **3. Outside the boom: the ideology of viability**

The end of the long boom changed the context for debates in the labour movement. How could workers fight back if their employer said they were at risk of going bust? Chris Harman<sup>12</sup> explained the ideological trap of “viability” arguments:

These make the individual worker feel that his or her job depends upon the viability of the particular chunk of the system in which they find themselves. Protecting their living standards and working conditions, they are told, will increase the crisis that besets their factory, firm or nation and destroy its ability to provide jobs. The same argument is presented as a more general ideological argument by the media: such is the crisis in

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<sup>9</sup> <http://isj.org.uk/the-working-class-after-the-recession/>

<sup>10</sup> <https://www.marxists.org/archive/cliff/works/1955/statecap/>

<sup>11</sup> <https://www.marxists.org/archive/kidron/works/1967/xx/permarms.htm>

<sup>12</sup> <https://www.marxists.org/archive/harman/1979/xx/eurevleft.html>

society that any sustained struggle over wages, working conditions or hours will push it over the edge into an abyss.

He went on to conclude that workers can resist this argument. But only if either they have a general political awareness of a viable alternative to the crisis-prone set-up; or if they are so embittered that they are prepared to struggle no matter what the odds are so long as there is some prospect of success.

Viability arguments had had little purchase during the period of post-war full employment, but returned with a vengeance during the 1970s. No one would write today as Cliff did of the victorious 1966-67 Roberts Arundel strike: 'The manager went into bankruptcy and the factory was closed. At least there was no non-union factory in Stockport and the principle of trade unionism had won.'

Contrast this with the concessions offered by Unite when faced with the threat of closure at Grangemouth in 2013, or routinely in the car industry where employers threaten to relocate work away from sites with good terms.<sup>13</sup>

The ideology of viability signals to workers they should see things from their bosses' perspective rather than their own, to be more concerned about their employer's profitability than paying their own bills, to fear winning more than their boss can 'afford'. Viability ideology takes the form of worker participation, partnership, concession bargaining – and helplessness.

There are a number of studies of viability during this period, notably Dave Lyddon<sup>14</sup> who studied viability and participation at British Leyland, but also over a strike at Chrysler Linwood in the mid-1970s when a stewards' committee (including IS members) voted for concessions to avoid closure. Nigel Harris, arguing against import controls, made the wider case against loyalty to your local ruling class.<sup>15</sup>

Faced with such challenges, Tony Cliff<sup>16</sup> highlighted the importance of politics in struggles that take place in a period of capitalist crisis:

So long as capitalism was expanding and by and large prosperous, industrial militancy in itself could achieve quite significant results. Today, when world capitalism is in deep general crisis, industrial militancy alone is quite ineffective. General social and political questions have to be faced. The battle of ideas becomes crucial. To build a bridge between industrial militancy, rank and file activity and socialism, we must relate the immediate struggles to the final struggle – the struggles inside capitalism to the struggle against capitalism.

Viability arguments have less purchase where employment is growing and capital investing, or in industries less vulnerable to closure (e.g. economically strategic

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<sup>13</sup> The case of Tata Steel came after this article was written, but exemplifies the point.

<sup>14</sup> <https://www.marxists.org/history/etol/newspape/isj/1977/no102/lyddon.htm>

<sup>15</sup> <https://www.marxists.org/history/etol/writers/harris/1980/05/impcont.htm>

<sup>16</sup> <https://www.marxists.org/archive/cliff/works/1979/xx/balance1.htm>

workplaces, essential services, or geographically fixed services such as transport). Does the influence of viability arguments and ideology help explain the difference between strike patterns in industrialising countries to those where established organised industries are shedding workers; the greater decline in private sector; the role of privatisation and marketisation in spreading weakness into the public sector? Understanding such differences could also help us predict where militancy is most likely to emerge in future.

Historically, certain sectors have contributed disproportionately to militancy and revolt. Jonathan Neale argues<sup>17</sup> that these are often sectors which are central to the economy, from maritime trade to the automotive industry. In 2003 Beverly J Silver published *Forces of Labor*<sup>18</sup>, which traced labour unrest globally from the 1870s to the 1990s. She noted that unrest followed flows of investment round the world. Worker militancy followed car production to developing countries. But when Nissan and Toyota opened plants in Britain, we didn't see the same effect, because the workers' movement had been recently defeated. This can be seen as a case of uneven and combined development<sup>19</sup>, in which capital implants the latest productive facilities into countries with their own past struggles, the outcomes of which shape the response to investment, rather than militancy being an automatic factor. This creates a contradictory pattern within the overall tendencies of neoliberalism. Silver also developed a typology of different sources and types of power that workers have, arising from their position within the global system and the process and organisation of work.

Reduction in manufacturing employment in the global North related as much to productivity increases as to production moving offshore to countries with lower labour costs, while industrialisation in the global South relied on rural migration to the cities.

#### **4. After the downturn: neoliberal consolidation**

Neil Davidson has described a shift to neoliberal consolidation after the period of vanguard neoliberalism. In Britain this took place during the late 1980s or early 1990s, which the SWP considered to be the end of the downturn. The SWP expected strike levels to recover, as illustrated by Chris Harman in 2004<sup>20</sup>, yet apart from blips such as the public sector pensions strike of 2011, strikes have continued to be historically rare.

Continuing low strike levels didn't fit the model of the downturn as a brief interruption to the upturn, and led comrades to offer a number of explanations for the lack of recovery, which can be summarised as: the defeats inflicted in the 1970s and 1980s by vanguard neoliberalism resulted in long term change in the balance of class forces; anti-union and repressive legislation in the wake of those defeats instilled fear and low confidence among union officials and workers; new workplaces reflecting significant

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<sup>17</sup> *The Cutlass and the Lash: Mutiny and Discipline in Nelson's Navy*

<sup>18</sup> I subsequently reviewed it here <https://rs21.org.uk/2014/06/01/remaking-the-working-class-and-its-power/>

<sup>19</sup> <https://rs21.org.uk/2014/02/25/what-do-we-mean-by-uneven-and-combined-development/>

<sup>20</sup> <http://socialistreview.org.uk/289/thaw-sets>

changes in the economy, have been established without effective worker organisation or even informal controls and protections from supervision; weakened workers looking to left electoral parties for help when traditional alternatives to the free market (Stalinism, Keynesianism) had been discredited; left electoral parties bought into the neoliberal consensus further undermining workers' confidence; persistent high unemployment, welfare cuts and the collapse of ideological alternatives to the market and viability arguments; the right, rather than Marxists, gaining from the collapse of Stalinism because it took place in the context of a defeated workers' movement.

Listing these factors does not amount to an analysis, but does illustrate that real changes did take place to the terrain on which workers struggle. They help us to understand that though mass action will return, it will not simply be a return to, or repeat of, the last upturn. Politically they help us to understand why the neoliberal right have benefitted rather than Marxists or the left in general.

The failure of union leaders to lead a fight is a grossly insufficient, though important, explanation. This brake on militancy does not affect all workers equally. Many unions don't put barriers in front of organised workers in smaller private sector workplaces striking when they wish, because such action does not threaten the union bureaucracy or the Labour leadership. Yet strikes have remained low even here, despite harsh pressure on workers. There must be significant ideological, political and organisational components to the explanation for low strike levels.

This raises the questions about how we go about building a socialist movement. Hal Draper once<sup>21</sup> argued:

The basic strategy for building a socialist movement lies in fusing two movements – the class movement for this-or-that step which gets a decisive sector of the class into collision with the established powers of state and bourgeoisie, a collision on whatever scale possible; and the work of permeating this class movement with educational propaganda for social revolution, which integrates the two.

We can see evidence of this in a number of struggles over the past few decades, especially outside the developed western countries. Examples include the emergence of new unionism in South Korea; the miners' role in the fall of apartheid; the role of miners in the fall of Stalinism; the overthrow of Suharto and new unionism in Indonesia; the mass upsurge to stop the coup in Venezuela in 2002; the breakthrough in Bolivia around cocaleros, water wars and gas wars that seriously damaged international investors' interests there; the Arab Spring.

While these struggles have neither coalesced nor delivered a breakthrough, they raise the question of why there haven't been comparable struggles in developed western countries. Some on the left use a labour aristocracy theory – that workers in the North are not fighting back because they are relatively privileged and benefit from exploitation in the south. This argument is flawed. Higher wages in developed countries

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<sup>21</sup> <https://www.marxists.org/archive/draper/1973/xx/microsect.htm>

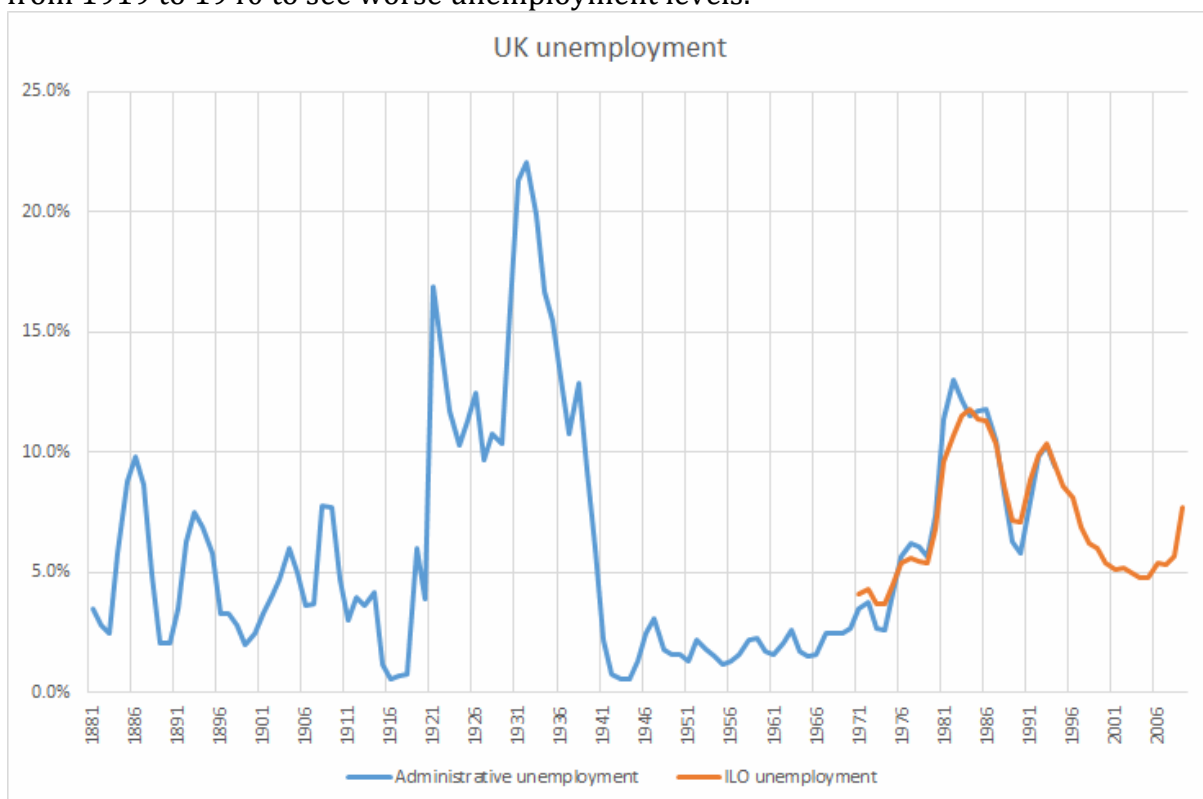


come from higher investment, higher productivity, and often higher rates of labour exploitation (in the Marxist economic sense, not the moral sense).

Total employment keeps rising in places like Britain. In the parts of the economy where employment is rising, viability arguments have less of a hold. But these growing areas parts do not overlap much with sectors that were well organised in the last upturn (exceptions would include parts of the public sector and public transport).

Manufacturing was at the heart of British private sector trade unionism in the 1970s but has been cowed by viability threats since. Viability pacifies by making workers feel vulnerable — the opposite of the passivity stemming from privilege.

The neoliberal era in Britain has seen rising employment alongside permanently high unemployment, in contrast to ‘full employment’ enjoyed between 1941 and 1970, and to the cyclical unemployment patterns before that. We have to go back to the period from 1919 to 1940 to see worse unemployment levels.



In recent decades permanent mass unemployment has come alongside attacks on the welfare state that increase people’s fear of losing their job. The establishment often exaggerates the precariousness of work to stoke this fear and strengthen the ideology of viability. It is the depth of the potential fall more than the narrowness of the path, that makes you feel precarious. In previous periods of major crisis calls for nationalisation were a staple of the left, but even following the banking crash and subsequent crisis, this has remained at the political margins, disarming workers ideologically.

## 5. The Centrality of Politics

In a period of capitalist crisis, in a declining corner of the global economy, with permanent mass unemployment and the welfare state under attack, workers in Britain



can only overcome 'viability' to wage serious resistance when they are desperate or when they have confidence in a political alternative to the market.

The collapse of Stalinism pulled out the ideological spine of much of the left, far beyond the official Communist Parties. The SWP never saw the Eastern Bloc as socialist and reacted differently – feeling vindicated, they hoped that events would accelerate their attempts to replace Stalinists as the main force to the left of labour in the UK and to the left of social democracy elsewhere.

But this had failed to reckon fully with the context of a defeated working class. Workers in the East looked to Thatcher not revolutionary socialism. With Stalin and Keynes discredited there was reason enough to adapt to Thatcher's mantra that 'there is no alternative'.

The removal of Stalinist dictatorships was a necessary step to regenerating a healthy left. But the immediate negative impact, ideologically and organisationally, on the activist layer in the working class was greater than we anticipated, accelerating the embrace of neoliberalism by reformist parties.

Reformist parties adopted and implemented neoliberal policies. In doing so they eroded their own base without fixing any fundamental problems of the system. There is little working class support for the neoliberal agenda, but no established political vehicles to shape social resistance: at the time of writing this has given rise to anti-politics,<sup>22</sup> a generalised rejection of establishment politics which can be radical or passive, left or right wing.

After Stalinism, Keynesianism was the second major ideological influence on reformism, but this too was widely discredited in the 1970s. We are seeing signs of the reintroduction of Keynesian type strategic thinking in the labour movement. Len McCluskey's CLASS initiative can be seen as a means of cohering a Keynesian argument against neoliberalism and giving workers confidence. Could a half-baked reformist or Stalinist ideological alternative give workers the confidence to resist, even if it then failed them as the struggle developed?

In the rest of Europe, countries where left reformism has retained a substantial social base are often those with higher levels of struggle. In Greece and Spain the crisis is acute and struggle has been high. They have seen big defensive battles with mass participation in many forms of struggle. Mostly they have suffered defeats, but the radicalisation is real and lasting. In the context of capitalist crisis, strikes in individual workplaces may not win much. General strikes, political movements, occupations etc. may appear more credible to workers.

Class struggle comprises and combines individual and collective action; industrial, political and ideological elements. Workplace struggle is not always the predominant form: community campaigns, riots, demonstrations, political campaigns, rent strikes etc. can also take centre stage.

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<sup>22</sup> <https://left-flank.org/2013/10/31/anti-politics-elephant-room/#sthash.bPnar0ep.IyZ7r26e.dpbs>

In Britain, most major struggles since the early 1990s – including successful ones like the Anti-Poll Tax movement – have not been based primarily upon workplaces or industrial action. The question of whether this is a permanent change lies behind debates over whether to orient on non-workplace struggles strategically, or merely as a tactic to hasten the revival of workplace struggle.

There were important industrial disputes during the same period as the poll tax, particularly the long running ambulance workers' dispute. That strike, like the miners' strike, involved community organising. In contrast, the community-based campaign against the poll tax succeeded despite failing to win local government workers to participate in the poll tax revolt by refusing to process forms, which would have required an illegal political strike.

Overall, we can see that strike patterns in the post-war boom, and during the upturn that marked its end, were historically exceptional. While being an essential and powerful weapon in our arsenal, strikes are not our only weapon. Their centrality in the post-war period may have led us to underplay the role of other forms of resistance in developing workers and the socialist movement.

We may have lost sight of the wider notion of class struggle that was held by Marx. Writing at the other end of the history of industrial capitalism, he grasped the way in which political movements were interwoven with workplace forms of struggle. We have ample evidence of how a focus on the workplace in isolation from the wider community and social issues can easily slide into narrow and sterile economism. We elevate the particular form of struggle above its political content at our peril. As long as capitalism exists the workplace will remain central; capitalism organises workers collectively, enabling the possibility of collective action which has the power to stop the production of value and profit. Orienting on the working class (including, but not just, in the workplace) is one of the things Marxists bring to movements – class politics.

Yet class consciousness<sup>23</sup> is never formed in the workplace alone. Changes in wider society – the decline of council housing and rise of private home ownership, the general commoditisation of life – also have an impact, as do political organisations articulating different positions.

There are many signs of the workers' movement refocusing on the community, from the Unite union's Community branches to the work that the Greek left has been doing with food banks through Solidarity4All. How we can create a movement that combines grassroots activism, community organisation, social issues and workplace power remains an urgent question.<sup>24</sup>

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<sup>23</sup> Wilhelm Riech is interesting

[www.edenguard.fr/Docs%20NRJ%20Et%20Cie/Wilhelm%20Reich/What%20is%20Class%20Consciousness.pdf](http://www.edenguard.fr/Docs%20NRJ%20Et%20Cie/Wilhelm%20Reich/What%20is%20Class%20Consciousness.pdf)

<sup>24</sup> Since the article was written many activists in Britain have been engaging with the idea of 'whole worker organising' advocated by Jane McAlevey <https://rs21.org.uk/2014/11/24/historical-materialism-2014-mobilise-or-organise/>