

The Reality of the Labor Aristocracy (A Reply to Charlie Post)

By Steve Bloom

In *ATC* #s 123 and 124 an article by Charlie Post declares “The Myth of the Labor Aristocracy.” As the author notes, this idea was originated by Frederick Engels, one of the founders of Marxism. It was subsequently developed by Lenin as an explanation for the social chauvinist capitulation of the Second International at the beginning of World War I.

Post’s effort to correct Lenin’s thinking rests on two fundamental lines of argument:

- 1) The labor aristocracy concept attributes higher wages and other privileges enjoyed by workers in the imperialist centers to the superprofits of monopoly capital in the colonial world (“third world” or “global south”). This idea, we are told, is mistaken. Higher wages are the direct result of higher labor productivity in the imperialist centers (global north), not the super-exploitation of the global south.
- 2) The assertion that more privileged strata of workers become passive supporters of capitalism, incapable of struggling against it because they are “bourgeoisified,” is empirically false, based on a survey of struggles in the 20th century.

Below we will examine these two lines of reasoning, then look critically at Post’s alternative explanation for the working-class conservatism that does exist today.

Monopoly Profits and Colonial Exploitation

Post describes the heart of Lenin’s theory this way: “The emergence of ‘monopoly capitalism’ allows large corporations that dominate key branches of industry to earn super profits.” He paraphrases more contemporary exponents of the labor aristocracy idea: “higher wages for a significant minority of workers in the imperialist countries come from the super profits earned from the exploitation of lower paid workers in Africa, Asia and Latin America.” He then explains why this theory of monopoly super-profits cannot be sustained, and cannot therefore be the source for any privileged status for workers in the imperialist centers.

But Post’s description misses the essence of Lenin’s conception, which was not actually based on the enrichment of individual capitalist corporations, acting as individual corporations. Rather, Lenin saw imperialist super-profits arising from the enrichment of *entire ruling classes acting through imperialist states*. The mechanism was, *the exploitation of entire nations*, not individual workers or groups of workers. The “monopoly profits” Lenin talked about came from the monopoly of trade between an imperial power and subjugated nation, enforced not by capitalist economics so much as by an occupying imperial army. Thus all of Post’s statistics, to prove that the economics of the capitalist market work in ways that would undermine his paraphrased version of Lenin’s theory, prove nothing with regard to Lenin’s actual theory.

Here is how Lenin himself describes the problem in an article titled “The Discussion on Self Determination Summed Up” in July 1916: “The proletariat has been split into two international camps, one of which has been corrupted by the crumbs that fall from the table of the dominant-nation

bourgeoisie—obtained, among other things, from the double or triple exploitation of small nations—while the other cannot liberate itself without liberating the small nations, without educating the masses in an anti-chauvinist, i.e., anti-annexationist, i.e., ‘self-determinationist,’ spirit.”

We will return to the idea of an “anti-chauvinist, anti-annexationist, ‘self-determinationist’ spirit” below. For now, what is important is to understand that the enrichment here is not so much by means of the direct exploitation of “lower paid workers” by individual monopoly corporations (though that does take place). It is through the super-exploitation of an entire nation through military conquest.

One major mechanism by which wealth is accumulated in this way is the enforcement of unequal exchange. Prices for agricultural goods and raw materials produced by the colonial nation are set artificially low. But the cost of manufactured products that it has to buy are set at a market price, or even artificially high. Under imperialism, as practiced in Lenin’s time, the global market cannot correct this discrepancy because such a price structure is enforced by military domination of the less powerful nation by the more powerful one—a military power that excludes other imperialist states from engaging in competition which might alter the terms of trade..

Post treats the question of unequal exchange only in a footnote, referencing a discussion about how all workers in the imperialist countries—poorly paid and highly paid—must be considered part of any “labor aristocracy” that results from wealth expropriated in this way, not merely the upper strata of northern workers. We will take this matter up shortly. Clearly, however, an attempt to refute the labor aristocracy theory *as developed by Lenin*, needs to deal with this issue in more than just a footnote, because it is so fundamental to the phenomenon that Lenin was describing.

During earlier stages of imperial conquest, before the “highest stage of capitalism,” (at least, the highest stage reached at the time Lenin was writing) wealth was also transferred from south to north in other ways, including by outright theft: Find the gold and other precious commodities, take them at gunpoint, load the booty onto ships and carry it home. Another, more subtle, form of this was commercial theft by merchants who would, formally, “purchase” spices or other goods for a fraction of their real value and then sell them for inflated prices in Europe, thus generating massive profits and accumulating vast amounts of capital. Here the unequal exchange was made possible by distance and a lack of communications, rather than enforced by military occupation. Today vast sums are still being stolen from the global south by the global north—though the domination of poorer nations by richer nations tends to be enforced more often through institutions like the World Bank and IMF, international “agreements” on “intellectual property,” etc., rather than directly by the US Marine Corps or Her Majesty’s Navy.

Can Charlie Post possibly deny that a vast transfer of wealth from south to north, over many centuries, has actually taken place? If he chooses to deny it then he must declare not only that the “labor aristocracy” is a myth, but the entire Marxist (Leninist) concept of imperialism as well. And yet, unless he denies it, his demonstration that profits made directly by individual corporations are inadequate to drive the kind of process Lenin describes is essentially beside the point. The fact remains that vast riches have been expropriated historically as a result of imperial conquest. If that is true then Post still has the task of replying directly to Engels and Lenin on the merits of their case: 1) these vast riches, whatever their source, have been used in part to bribe a layer of the working class in the more advanced nations,

establishing an aristocracy of labor, and 2) this labor aristocracy has become relatively conservative/social-chauvinist in relation to its own national bourgeoisie as a result.

The Actual Source of Higher Wages and Other Forms of Privilege

What becomes of this vast wealth that is systematically transferred from south to north? It's easy to demonstrate, as Post does, that it is not the *direct* source of higher wages paid to workers in the northern countries. It is, instead, transferred in the first instance to the pockets of imperialist corporations, banks, and their shareholders. What happens to it then, however, is the key element in our equation.

A portion is, of course, set aside to support the lavish lifestyle of northern industrialists, bankers, corporate executives, and government officials. This creates a trickle-down effect, contributing to higher wages for working people in the imperialist centers. Consumption by the most privileged layers generates a demand for goods and services produced by workers in the north, and therefore jobs at higher wages. But this is a fairly subtle part of the process, and not so easy to quantify. So let's look at more direct mechanisms by which a portion of this wealth, stolen from the nations of the south, actually helps improve the standard of living of working people in the north.

Northern workers earn higher wages, on average, than those in the south. Where does the wealth come from to pay these higher wages? Directly from the production process itself, via the classical exploitation described by Marx in his analysis of capitalism: The corporations pay their workers a wage that represents only a portion of the value the workers actually produce through the labor process. Profits are generated when another portion of those values is expropriated, creating surplus value that is pocketed by the corporation as profit. No funds are taken to pay wages to northern workers directly from corporate pockets that may have been filled through the theft of wealth from the global south. On its face, then, Post's theory seems to be confirmed.

But this is not the whole story, not by a long shot.

As Post points out, higher wages in the north are a direct result of higher labor productivity. This allows the corporations to still make profits even while paying higher wages. But it is now necessary to ask another question: Why is labor in the north more productive than labor in the south? Clearly it is because there has been a massive investment of capital in the northern countries. Where did this massive quantity of capital come from? It was derived, in significant part, from the global south—through precisely the kinds of mechanisms Lenin describes, plus their more modern analogs

Thus the relatively privileged position of northern workers vis a vis southern workers—even in the sense of the higher wages paid in northern industries—is an *indirect* byproduct of an overall historical process of capital accumulation by northern corporations and industrialists, much of it at the expense of the global south.

Another way in which northern workers enjoy a relatively privileged position in comparison to those in the south is the higher social wage in the industrialized nations of the world. More is spent by governments per capita on public education, health care (even in the USA if we think about Medicare and Medicaid), the construction of roads and other infrastructure that everyone uses, parks, public

libraries, the arts, etc. Where does the money for such expenditures come from? Obviously, from tax revenues (or else from government bonds which ultimately have to be repaid through tax revenues). Some portion of those tax revenues are levied on income and profits garnered through the superexploitation of southern workers, payments of interest on the third world debt, and unequal trade relations between north and south. Thus a part of the wealth expropriated from the poorer nations goes to help raise the general standard of living in the industrialized countries, including of their working classes.

Post's footnote on the question of unequal exchange is worth returning to at this point. The paragraph to which it is attached asserts: "Put simply, imperialist investment in the global south benefits *all* workers in the global north—both highly paid and poorly paid workers. . . . The real labor aristocracy includes poorly paid immigrant janitors and garment workers, African-American and Latino poultry workers, as well as the multi-racial workforce in auto and trucking." This is true, up to a point—but only up to a point and that point is extremely important.

There is a relative privilege involved in becoming an underpaid undocumented worker in the USA compared to remaining an unemployed worker in Mexico. But while all workers in the north do benefit from unequal exchange, not all of them benefit equally. Workers in traditionally higher-paid positions benefit considerably more than undocumented immigrants. Post's analysis ignores this fact—indeed, it *must* ignore this fact in order to maintain its logical consistency.

The "Conservatism" of the Labor Aristocracy

To many Marxists it seems obvious that the tangible benefits northern workers receive because of the wealth their own capitalist classes have accumulated over the centuries has had a strongly conservatizing effect on class consciousness, especially since the second world war. Post disputes this, though he acknowledges that there has been a sufficient conservatization to require some explanation.

Before we consider his alternative explanation, let's take a look at his attempt to empirically refute Lenin's thesis. One point is essential to note as we do so: Neither Engels nor Lenin suggested that the consciousness of the labor aristocracy reflected some *absolute* or *generalized* conservatism on all questions. The theory was, instead, focused on explaining one particular feature of mass consciousness, the capitulation of large segments of working people in Europe to the feelings of national/racial superiority that were used to enlist them in support of wars and colonial conquests.

Post presents a list of struggles during the last 100 years—which more privileged layers of the working class have engaged in, even led—telling us that this refutes the labor aristocracy idea. Such an assertion would be accurate, however, only if we accept the most self-caricatured notion of Lenin's theory. We prefer a more sophisticated understanding, one that is closer to the approach actually followed by Engels and Lenin. Layers of the northern working class have been conservatized *on questions specifically relating to war and imperial exploitation*. There is no refutation of this whatsoever in the list of *other kinds of struggles* that Post presents.

We can suggest a series of reasons for affirming this more optimistic notion about the real potential for struggles on the part of northern working classes without in the least denying the existence or significance of the labor aristocracy:

1) Perceptions of well-being are relative, not absolute. Precisely because workers in the north have come to enjoy a relatively higher standard of living they have also come to expect it. The inevitable contradictions of capitalism still cause the northern ruling classes to attack that standard of living, attempting to drive down expectations and increase the rate of exploitation in the north. This effort has been pursued with some considerable vigor and success in recent decades. The greed of the capitalists knows no bounds. The more they are successful with this campaign the harder and further they will pursue it. At some point they will push too far, and get a reaction in the form of serious struggles by northern workers to regain what they have lost. At that point another radicalization, and an openness to socialist ideas, seems likely.

2) We have focused here on the truth that workers in the north benefit from the transfer of wealth from the south. But the opposite statement is equally true: Workers in the north suffer as jobs seek the lowest possible wages in a global labor market. This creates its own dynamic, and as that dynamic unfolds it becomes easy to see that northern workers have a direct material interest in the fight for living wages and economic development for people in the third world. This, then, requires a struggle against their own capitalist ruling classes and creates another basis for radicalization and an openness to socialist ideas.

3) The benefit which northern ruling classes receive from the superexploitation of the south (their extremely lavish life-style) would disappear if socialism were to replace capitalism. Thus there is a clear material necessity for the bourgeoisie to fight for the maintenance of capitalism itself. The benefit/privilege that the northern workers receive (their higher standard of living), on the other hand, would not disappear. In fact, socialism—by doing away with the waste and gross inequality of capitalism—could even raise the average standard of living of northern workers, and dramatically improve their overall quality of life in countless ways that cannot be measured in monetary terms, while simultaneously engaging in a massive effort to equalize living standards between north and south. Thus, while the present state of affairs does act as a brake on the consciousness of northern workers (as long as capitalism is assumed as a global system it is better to be a northern worker than a southern one) as soon as it becomes possible to imagine an alternative to capitalism, the ideological mystifications on which this brake is based vanish into thin air.

4) Approximately half of the workers in the United States, and increasing numbers in Europe as well, are non-white. These workers share considerably less in the benefit of living and working in a northern country (though they do benefit partially, as noted), and the disparity between their living standards and those of the most privileged layers is actually a spur to struggles. They also tend to identify more with the struggles of oppressed peoples around the world. This reality, *which is part of the total reality of working people in the northern countries today*, is a factor that will promote the general combativeness of these working classes, even as the conservatism of the most privileged layers retards that combativeness.

5) Even the white working classes in the north are repulsed by the more visible atrocities inflicted on oppressed peoples—think Algeria, Vietnam, South Africa, lynching in the US south, etc., today even

Iraq and Lebanon. (We would like to say “Palestine” as well, but unfortunately those atrocities remain invisible for the most part, at least here in the USA.) Thus the human element, the reaction of northern workers as human beings to the grotesque oppression that underlies the superexploitation of the global south, cannot be written off. It remains a potent element in the development of consciousness, from time to time even of mass consciousness.

6) The accelerating tendency of profit and the market to destroy the environment on which human beings depend crosses all borders and is of grave concern to working people in the north, even if it is of still greater concern to those in the south. This, too, imposes a certain imperative that working people, and their representative organizations, are far better placed to respond to than the ruling classes. It is, therefore, likely to create another material basis for radicalization and the development of socialist consciousness.

Thus, thinking dialectically, we cannot consider the tendency of white privilege/labor aristocracy to create conservatising pressures in isolation, as if this is the entire reality of capitalism and imperialism in the 21st century. It is merely one tendency, existing simultaneously with other tendencies that still point to the imperative of working-class struggle and socialist revolution. The conservatizing pressures that contribute to the consciousness of the labor aristocracy raise the threshold for struggles to erupt. They do not erect any absolute barrier. There is an increased tendency on the part of more privileged workers to look for individual solutions to problems, or else to alliances with their own exploiters, rather than alternatives that depend on class-wide solidarity. In the long term, however, the futility of such efforts will be exposed and experience will inevitably, even if with greater difficulty, push in the direction of more collective and anti-capitalist forms of struggle.

The Proposed Alternative Explanation for Conservatism among Working People

One of the strengths of Lenin’s work on this question was his search for an explanation for the mass capitulation of the Second International to social chauvinism that was rooted in material reality. Post, however, asserts::

“When reformism proves incapable of realistically defending workers’ interests—as it has since the early 1970s—workers embrace individualist and sectoralist perspectives as the only realistic strategy. This is particularly the case in the absence of a substantial and influential militant minority in the working class that can organize collective resistance to capital.”

Such a thesis is rooted in essentially ideological factors. It therefore seems far less satisfactory than the approach proposed by Engels and Lenin.

Further, if we were talking only about the present situation, as it has evolved since World War II, one might find Post’s explanation reasonably convincing. But to win us over to his sweeping claim that the labor aristocracy is a myth he needs to offer more than simply an alternative to this theory for today. He has to give us a better explanation for the events Lenin was contending with after 1914.

The European working classes had substantial mass organizations and institutions, along with a significant history of recent struggles at the moment the Second International capitulated to social

chauvinism. None of this was sufficient to stem the mad rush to endorse an imperialist war. Why? If Lenin's theory is wrong, what is the alternative explanation *for these events*? If, however, Lenin's theory remains a reasonable explanation for what happened in 1914, why not look to similar factors, which are still at work (even more powerfully at work) in today's world, as an explanation for why substantial layers of northern workers do not systematically oppose the imperialist policies of their own ruling classes?

The Special Importance of Racism and National Chauvinism

It seems useful to close with a more specific consideration of the actual question to which the labor aristocracy theory is most relevant: racism and social chauvinism. We need to remember Lenin's exhortation to proceed in an "anti-chauvinist, anti-annexationist, 'self-determinationist' spirit."

As noted above, the labor aristocracy theory need not lead us (indeed, should not lead us) to conclude that working classes in the imperialist centers are incapable of militant, even revolutionary action. And yet, if there is one factor that most threatens to undermine militant, even revolutionary actions when they might otherwise be possible, it is this problem of racism and national chauvinism. The power of such ideas to derail the march of the European working class toward revolution in 1914 demonstrates just how much of a danger it is. Nothing that has happened in North America or Europe since that time suggests that the dangers have decreased. Quite the contrary.

It seems to me that the biggest problem with accepting Post's analysis, rejecting Lenin and Engels, lies here. To adequately confront and combat racism and national chauvinism it is essential for socialists to understand that this is a phenomenon with deep material roots in the privileged life style of workers in the northern countries. It is not merely an ideological mistake they are making. Racism and national chauvinism are not going to be easily combated or uprooted, no matter how militant, how collective, how self-organized the struggles of the working class might become. The problem will require our constant attention and a constant struggle—now, up through, and after a socialist revolution in the United States.

As I have tried to demonstrate, there is no reason—either theoretically or on the basis of empirical evidence—for us to reject the understanding Engels and Lenin came to in the late 19th/early 20th century. Manifestations of racism and national chauvinism among more privileged layers of the working classes in the northern countries are, at least in significant part, fueled by the privileges these layers enjoy vis a vis workers in other parts of the world. The theory of the labor aristocracy arms us effectively to understand and combat this reality. Post's alternative explanation falls short.