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»Rise or Decline? « – How does Fascism relate to the Economic Crisis?

A little over 100 years ago, in 1916—in the midst of World War I—Lenin wrote several articles criticizing the positions of a group of social democrats (including N. Bukharin) whom he called “imperialist economic determinists.” I particularly like one of these writings, entitled “On a Caricature of Marxism.” And not only because of the many references to Lenin's demands on Marxist analysis, but also because of a rather marginal remark that it is pointless to argue about words, because it is impossible to enforce this or that use of a word. However, according to Lenin, it is necessary “to clarify the concepts precisely if one wishes to discuss.”¹ We should take this admonition seriously! Precisely defined and clarified concepts are the prerequisite for us to be able to recognize and understand the conditions and connections of this world collectively. And to recognize and understand them in a way such that we can also see how we can change them!

So, in the aforementioned article from 1916, Lenin strives to clarify terms precisely. He does this by criticizing the mixing of economic and political aspects of imperialism. He makes it clear that, in **economic** terms, imperialism is defined as the replacement of a capitalism of free competition by the large-scale production of monopoly capital, while at the level of the superstructure, he characterizes it **politically** as a “*turn from democracy to political reaction.*”

Just how important this distinction is can be seen in the misinterpretations of Lenin's subsequent statement:

„Free competition corresponds to democracy. Monopoly corresponds to political reaction.“

This remark is often - but wrongly - interpreted as a distinction between bourgeois-democratic and fascist forms of rule by monopoly capital.

The terms “democracy” and “political reaction” denote phenomena of the political superstructure. Lenin defines the relationship of the superstructure manifestations to the respective base as a correspondence.

What Lenin is saying, then, is that democracy is the corresponding political superstructure to the economy of free competition, while political reaction is the political superstructure that corresponds to the monopolistic economy. Only in this exact application of the base-superstructure relationship does Lenin's statement make proper sense. And as such does not allow it to be interpreted as a distinction between bourgeois democracy and fascism.

Otherwise, the simple pointing out that the transition to monopoly capitalism has been economically enforced in Germany for over a hundred years would lead to the dilemma of either having to interpret the times of the parliamentary-liberal form of monopoly capitalist rule before

¹ LW 23, S.34

1933 and then again in the Federal Republic of Germany as fascist or declaring them to be irregular exceptional cases in which the correspondence described by Lenin is exceptionally wrongly applied.

There are indeed such positions, and they deserve their requisite rebuttal, but I will leave them out here.

The misunderstanding that Lenin's concept of **political reaction** as the superstructure corresponding to monopoly capitalism is to be identified with fascism is cleared up if we take into account that Lenin uses the terms “democracy” and “political reaction” to define the **content** of the political superstructure, and this content must first be specified separately from the definition of the political **form** of rule. So: the superstructure of monopoly capitalism is reaction in terms of content, and the superstructure of free competition capitalism is democratic in terms of content.

In contrast, bourgeois-liberal parliamentary democracy and fascism are forms of rule. They are two different forms in which the policy corresponding to the monopoly may be enforced. However, the **content** that is enforced in these two forms is the same in both cases and this content was summarized by Lenin with the term political reaction.

Based on this explanation, we can now better grasp what the respective contents of the political superstructure of free competition and monopoly capitalism are all about. Why did Lenin come to define the content of the political superstructure of free competition capitalism as democracy? Why did he come to characterize the content of the superstructure of monopoly capitalism as political reaction?

What is the respective content?

The content of capitalist class rule is to ensure the exploitation of the working class by the class of capital owners in the form of the appropriation of surplus value by the capitalist. This requires the recognition of private ownership of the means of production and the possibility of purchasing the commodity of labor power on the market. The regulation of social relations is delegated to the ability of individual interests to assert themselves on the market. This insight was provided by the investigation that Marx undertook in order to "reveal the economic law of motion of modern society"² – as he described it in the preface to his work “Capital”. The equal, in terms of rights, pursuit of individual interests is the equivalent of a free competition capitalist economy and political democracy.

And what about monopoly capitalism? Here, the increasingly social character of the productive forces has created a growing need for overarching coordination of individual processes. The productive forces are no longer suitable for the individual production of an individual for his or her individual needs, but must be set in motion by many producers working together (and, as a trend, by society as a whole) so that they can realize their productive capabilities.

This need was answered economically with the formation of monopolies. At the level of the political superstructure, this need calls for the subordination of individual interests to the objectives of the ruling monopolies - in other words, ultimately for the monopolies to **gain access**

² MEW 23, S. 15

to the entirety of social cooperative processes. This is the content of monopoly capitalist rule and Lenin described this content with the concept of political reaction.

What have we achieved so far?

A closer look at Lenin's statement on the correspondences between free competition capitalism and democracy and between monopoly and political reaction has led us to define this urge to subordinate individual interests to the objectives of the monopolies as the content of monopoly capitalist rule.

The distinction between the parliamentary-liberal and the fascist form of rule often causes great difficulties. However, these difficulties only arise when we neglect to take a closer look - especially when content and form are confused. But if we take a closer look and correctly determine the content of rule, then the question of the distinction between parliamentary-liberal and fascist forms of rule dissolves into the question of which methods are most expedient for bringing individual social activities into line with the interests of monopoly capital.

This is also the basis on which I would like to make my comments on the relationship between our subject of fascism and two phenomena: The relationship of liberalism to fascism and the relationship between fascism and crisis.

With the concept of liberalism, it is obvious that - if we want to discuss the relationship to fascism - we must first specify in what respect we are using this term. It would be justified to speak of the stage of liberal capitalism as opposed to monopoly capitalism. In this sense, we would use liberalism analogously to free competition capitalism as a concept of the economic base. However, liberal or free competition capitalism certainly does not provide the economic basis for the political superstructure of fascism. Fascism as a political phenomenon belongs to the era of imperialism - it therefore arises on the economic base of monopoly capitalism. If we want to identify a link to fascism, then it would be that monopoly capitalism developed naturally - namely due to the immanent contradictions of capitalism - from pre-monopolistic liberal capitalism. But nothing more.

Liberalism can also denote an ideological direction - or it would be correct to formulate in the plural: it can also denote ideological directions. Liberalism existed as an ideology of the aspiring bourgeoisie in early (liberal) free competition capitalism, which was directed against aristocratic rule.

But then there was also the liberalism represented by Friedrich Naumann and his National-Social Association. It explicitly broke with the earlier liberalism, calling for the "closed will of the nation" and opposing the equal rights of all nations. Naumann criticized the old liberalism as

"Internationalism of the earlier democracy, which had no understanding of the development of the state-owned large-scale enterprise."

and concludes:

“History has decided that there are nations that lead and those that are led, and it is hard to want to be more liberal than history itself is.”³

This liberalism since Naumann has become **imperialist liberalism**.

However, liberalism can also be described as a form in which monopoly capital may endeavor to enforce its rule politically. I used this term myself when I spoke of the “parliamentary-liberal” form of rule. Here again, it is worth taking a closer look. The parliamentary-liberal form of rule, also known as bourgeois democracy, is a form of monopoly capitalist rule, the other form of which is fascism in power. It makes sense and is of great importance for anti-fascists to distinguish between these two forms.

However, it would be incorrect and would entail typical political misguidedness to see the relationship between these two forms of rule merely as an abstract dichotomy. This misconception would abstract from the fact that although these are two distinct forms of rule, they are two forms in which one and the same content of monopoly capitalist rule is enforced. Fascism is not distinguished from the liberal form of rule by a fundamentally different content. This content is determined by the interests to be enforced. The methods by which this content can actually be enforced- and thus the form of rule - are determined by the specific conditions. The decisive factor is the degree of “voluntary” consent of the majority of the population to participate in the objectives of monopoly capital, which can be achieved within the framework of the parliamentary-liberal form of rule.

To perceive the specific conditions under which the efforts of the ruling class to assert its interests take place opens up a whole field of interactions between bourgeois-democratic and fascist forms of rule, which we would grossly ignore if we perceived a merely abstract opposition.

But the need to take a closer look goes further. It is not enough to mention any reciprocal interactions in order to determine the relationship between the two forms of rule. We must grasp the reciprocal effects that emanate from one form on the other in their respective structures in a concrete way.

One of these effects - in my opinion of central importance - lies in the following context: the reality of monopoly capitalism is not such that the interests of the majority of the population would be met in the long term. Moreover, the practice of monopoly capitalist rule cannot help but repeatedly and increasingly violate the objective interests of the non-monopolistic majority of the population. This inevitably gives rise to dissatisfaction. However, dissatisfaction and the protest that tends to arise from it are poison for what is so urgently needed by the monopolies. - Poison for the willingness of people to commit themselves to the interests of the monopolies - which, naturally, are always disguised as the interests of society as a whole. The practice of monopoly capitalist rule under the conditions of its parliamentary-liberal form thus carries the contradiction of constantly undermining its own prerequisites.

A primary reaction to this is the attempt to counteract dissatisfaction by intensifying the already propagated integration ideologies. A secondary reaction is the increasing restriction of opportunities to articulate dissenting interests and express protest. We are currently experiencing

³ Friedrich Naumann: Das Ideal der Freiheit, 1908

this in the rapidly escalating measures of reactionary state restructuring - with police laws, bans on associations and the media, repression through renewed occupational bans, etc.

This partial revocation, for the time being, of the freedoms commonly attributed to bourgeois democracy is by no means suitable for extinguishing the source of discontent - on the contrary, it contains even more intensifying elements. Therefore, this response of monopoly capital to the problems of its form of rule based on “voluntary” integration has an inherent tendency towards self-propelled escalation. And the goal of this escalation is fascism in power - in other words, the change to the form of monopoly capitalist rule that can be characterized by the complete and ruthless suppression of all articulation of interests that cannot be incorporated into the objectives of the monopolies. In precisely this sense (and only in this sense) - i.e. mediated by the contradictory possibilities and problems inherent in monopoly capitalist rule - liberal bourgeois democracy proves to be a breeding ground for fascism.

Alongside this tendency towards an escalation of repression into fascism, the bourgeois-liberal form of rule is also proving to be a breeding ground for a development towards its replacement by the fascist form of rule. This time it is not about the repressive measures, but about the necessary ideological accompaniment of the bourgeois-liberal form of rule.

This is because the integration ideologies, that suggest it is for the good of society as a whole if the interests of the monopolies are satisfied, continue to have an effect even if they are no longer sufficient to ensure the “voluntary” consent of the majority of the population. They then cause this potential, which is in the process of evading integration, to maintain a distorted consciousness about the interests in society. The protest potential generated in this way is prevented from turning to the left. Rather, it is obvious that the protest potential, with the content and enemy images of integration ideologies in mind, will instead demand that those who are known to constantly oppose the “common good” sought by “the economy” must now finally be ruthlessly combated. The content of integration ideologies (originating from the bourgeois-liberal form of rule!) is the breeding ground for fascist mass movements.

What I want to show with these two lines of connection is an explanation of why the abstract opposition of bourgeois democracy and fascism is untenable, why the two forms of rule are nevertheless distinguishable (and why this is important), and that this explanation is then useful for providing orientation in the anti-fascist struggle if it analyzes and identifies the connections in a concrete way. This is possible if we take a close look at what “political reaction” is all about, which Lenin calls the political superstructure that corresponds to monopoly capitalism.

I hope that this preliminary work will prove useful when we turn to the actual question: How does fascism relate to economic crisis?

Oftentimes we read or hear the assessment that an economic crisis creates such insecurity and dissatisfaction among the working class and/or petty bourgeois strata that they seek their way out in fascism. Alternatively, or supplementary, there is also the assessment that the capitalist class is put under such pressure by the economic crisis that it seeks salvation in fascism to secure its profits.

These assessments have an apparent plausibility because, at the level of appearance, there are moments that can suggest such interpretations. It is certainly the case that the dissatisfaction and insecurity triggered by an economic crisis in the working class or the petty bourgeoisie increase the potential of those who tend to evade “voluntary” integration within the framework of the bourgeois-democratic form of rule. However, it is necessary to take a close look at the concrete

contexts, as I have just tried to do with reference to the monopoly capitalist practice of rule as a source of dissatisfaction and to bourgeois integration ideologies as a source of distorted awareness of interests, in order not to come to fatally false conclusions here. Ignoring this more precise definition of the causes, dissatisfaction and the lack of willingness to continue to be subsumed into the system of the bourgeois-liberal form of monopoly capitalist rule appears to be the cause of fascist movements and the menace of fascism. Anti-fascism then easily degenerates into a tool of reactionary politics and turns against the dissatisfied and against protest instead of against the real causes - monopoly capitalism and its equivalent in political reaction.

The other misinterpretation, that capital saves itself from the economic crisis by turning to fascism, does not stand up to closer scrutiny either. Corresponding theories improperly mix up the relationships between the base and the superstructure and are mostly based on a shortened, economistic concept of interests.

Historically, the world economic crisis of 1929 is linked to the establishment of fascism in Germany in 1933. However, this relationship must be examined closely!

In December 1929, the Presidium of the "Reichsverband der Deutschen Industrie" (RDI) - the top representation of the interests of monopoly capital in Germany - published a memorandum entitled "Aufstieg oder Niedergang?" (Rise or Decline?). It called for a programme of "capital accumulation", the promotion of further monopolization and the radical restriction of all "unproductive" social spending.

However, the representatives of monopoly capital gathered in the RDI were aware of the conditions under which this program could be implemented.

The possibilities of persuading the population to "voluntarily" cooperate with the goals of the monopolies - i.e. the prerequisite for the monopoly bourgeoisie to approve of bourgeois democracy as an appropriate form of its rule - require a certain degree of concessions to non-monopolistic sections of the population. Monopoly capital was no longer prepared to make these compromises, which the majority of them had accepted in view of the experience of the November Revolution of 1919 and in the early years of the Weimar Republic - not because of a crisis situation, but because they had reached a strength that no longer made these concessions look necessary. In the memorandum, the RDI says:

"Even though it was known that reconstruction was only possible with the free development of economic forces, compromises were continually made with socialism and the private sector was put under pressure and restricted in its development through taxes and other fees, state-owned enterprises and state intervention. Consideration for the power of the parties did not allow the strength to arise to bring labor, interest and state burdens into a proper relationship. (...) Thus internal political discord, lack of insight and lack of courage have blocked the way to a consolidation of our economic conditions. Due to a regrettable lack of responsibility, the people were not informed about the real necessities."⁴

⁴ Reichsverband der Deutschen Industrie (1929) Aufstieg oder Niedergang? Denkschrift des Präsidiums des RDI. In: Veröffentlichungen des Reichsverbands der Deutschen Industrie, Nr. 49, S.6

This is anything but a defensive reaction to an economic crisis. At the association conference, for which the memorandum served as a blueprint, the RDI chairman as well as chairman of the supervisory board of IG Farben, Carl Duisberg, also declared:

„It must not be a job half done, it must be a job done. Compromises no longer help. It's about the principle, about the whole system.“⁵

Here, monopoly capital declared its decision to change the form of rule. And the apparatus of political administrators for the ruling class consequently went along with this decision. The SPD - the most important supporter of monopoly capitalist integration policy - was removed from government. Brüning became chancellor, focused on further strengthening the office of the president, organized the gradual elimination of parliamentary influence on state activity and declared his intention to keep all future governments free from party influence. And this process then continued until January 1933.

The decision of the monopoly bourgeoisie to move away from the parliamentary-liberal form of its rule was not the result of an emergency situation for capital caused by the economic crisis. Nevertheless, there was a relationship between the crisis and fascism at the time. However, this only becomes recognizable if we take a closer look and understand the levels of mediation, how the class interest in the closed integration of the whole of society for the goals of the monopolies arises on the basis of the monopoly capitalist economic basis, how this class interest can struggle for implementation under the concrete conditions and how a concrete political development can be explained by this. The monopoly bourgeoisie united in the RDI was not driven to fascism by the crisis, but by its own class interest, which made a change in the form of rule seem necessary in order to enforce those interests under the given conditions. Instead, the crisis was seen as an opportunity that should not be wasted, but should be seized in order to move politically to where Duisberg expected the “whole job” to be done.

Today, it remains the task of Marxist science to develop the necessary guidance regarding the danger of fascism and anti-fascist strategy by precisely analyzing the levels of mediation. Therefore, I would like to repeat this again in conclusion: **it is about how, on the basis of the monopoly capitalist economic base, the class interest in the closed integration of the whole of society for the goals of the monopolies arises, how this class interest can struggle for enforcement under the concrete conditions and how concrete political developments can be explained from this.**

⁵ Duisberg, Carl (1929) In: Veröffentlichungen des Reichsverbandes der Deutschen Industrie, Nr. 50.