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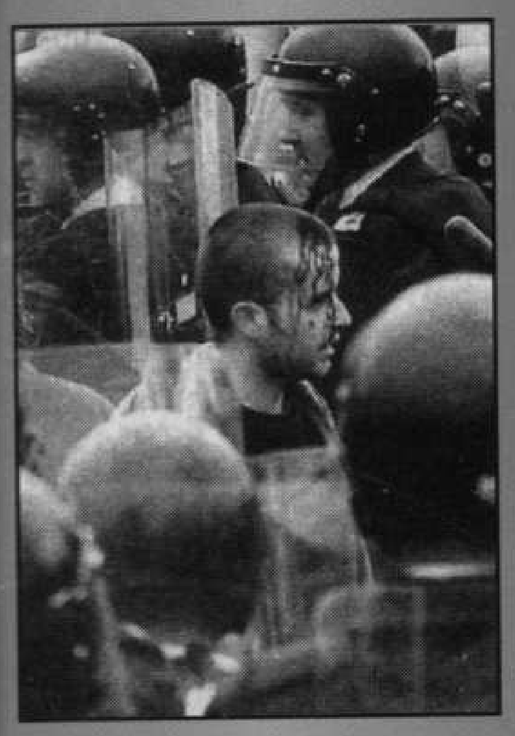

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INCORPORATING PERMANENT REVOLUTION

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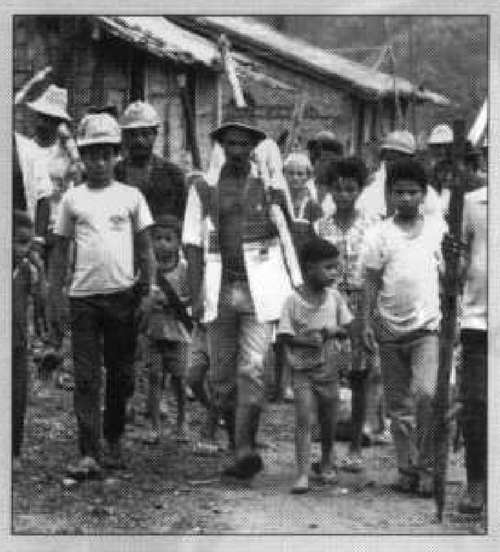



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GLOBALISATION

A new stage of world economy?

Have recent developments fundamentally changed the relationship between the economy and the nation state? **Lesley Day** surveys the debate.

SCOUTS FROM rich European clubs visit the dusty pitches of Brazilian townships. In turn Latin American talent spotters assemble in force for the African Nations cup. The explosion of the international trade in soccer players is just one high profile example of the way that national boundaries seem of less account and the world seems to be shrinking.

Other signs of a growing cultural homogeneity abound. For some commentators, the late 20th century is a period where the global reach of Pepsi or McDonalds is dissolving established, nationally-specific relationships. For some, a culture of consumerism is all pervasive[1], while for others, the revolution in information technology makes the "global village" a reality.

Such globalisation theories are easily challenged. You may be able to watch or listen to the World Cup in tens of thousands of villages and housing estates worldwide, but the world is really no smaller if you have no resources or access to transport to take you beyond the nearest town. As long as two-thirds of the world's population live more than two hours walk away from the nearest phone then the material means for being a citizen of the global village are non-existent.

The shallow ephemera of global culture, however, should not lead us to dismiss the serious shifts in global economic and political relationships over the last 20 years.

The ruling class is certainly taking these developments seriously. "Globalisation" is a buzzword in the headquarters of the giant multinational corporations and on the financial markets as well as in university sociology departments.

But what does it mean? If it is meant to define a century-long trend of growing international trade and investment, then this is hardly a new phenomenon. The various advocates of the "globalisation thesis" use it to describe a qualitative change in capitalism – usually with dramatic implications for existing political strategies.

Hirst and Thompson, in a recent book, usefully summarise the "strong" globalisation view of the world economy in this way:

"Globalisation in its radical sense should be taken to mean the development of new economic structures and not just conjunctural changes toward greater international trade and investment within the existing set of economic relations."[2]

In this scenario of the global economy the system "becomes autonomized and socially disembedded, as markets and production become truly global". The "national level is permeated by and transformed by the international"[3]

According to Hirst and Thompson this system presumes:

" . . . the transformation of multi-national capital into transnational capital (TNCs) as the major players in the world economy. The TNCs would be genuine footloose capital, without specific national identification and with an internationalised management . ."[4].

In the words of one advocate of the "extreme" globalisation thesis:

"The agent of the global economy is transnational capital, organised institutionally in global corporations and in supranational economic planning agencies and political forums such as the International Monetary Fund (IMF), the Trilateral Commission and the G7 Forum, and managed by a class-conscious transnational elite based in the centres of world capitalism. This transnational elite has an integrated global agenda of mutually reinforcing economic, political and cultural components, that taken together, comprise a new global social structure of accumulation."[5]

Transnational corporations (TNCs) or Multinational enterprises (MNEs) have – according to prophets of globalisation such as Japanese commentator Kenichi Ohmae – reached the status of "stateless corporations"[6]. They are able to move production round the globe, make mergers and acquisitions and foreign investments where they please. The combination of changes in communication and the inexorable rise of MNEs means, for the globalisers, that there are no effective controls on the movement of capital – there is a truly globalised economy.

The implications for the ability of nation-states to exercise political and economic control over this transnational economy are clear. In Hirst and Thompson's words national states:

" . . . would be at the mercy of autonomised and uncontrollable, because global, market forces."[7]

As Robinson puts it forcefully:

"The 'commanding heights' of state decision-making are shifting to supra-national institutions."[8]

However, Hirst and Thompson have insisted, that, on the contrary, "globalisation, as conceived by the more extreme globalisers, is largely a myth."[9]

What should Marxists make of this debate?

Imperialism as world economy

The increasing internationalisation of the world economy has informed the Marxist theory of imperialism since before the First World War.

Marx himself well understood that it was in the very nature of capital itself to reach out without limit in its search for new raw materials, new markets, new sources of labour. It "batters down Chinese Walls" in Marx's famous words. Capitalism breaks down barriers to its rule, gobbles up old modes of production or subordinates them to itself. Its class structures are superimposed upon the old relations, as is its culture.

The nation state is both an expression of capitalist social relations and their guarantor.

Amongst the contradictions built into the heart of this process is the relationship between capital and the nation state.

The nation state is both an expression of capitalist social relations and their guarantor. It arose in response to the need for the rising bourgeois class to unify the fragmented internal market and create uniform legal and political conditions for all capitalists.

But at the same time, capital is driven by its own inexorable competitive logic to go in constant search of new markets and sites for investment beyond the boundaries of its "home" nation state. With this expansion comes the need for legal and even military protection of the conditions of profitable exploitation in foreign countries.

Between 1870 and 1914, and especially from 1895 to the eve of the First World War, this international expansion of capitalist trade and investment was especially rapid. The result was that the world became completely divided up between a handful of "Great Powers". Every country excluded from this club became formal colonies and informal "spheres of influence".

For the dominant industrial and financial monopolies within the major powers all these countries were little more than sources of raw material and cheap labour, and in some cases they provided a captive market for their goods and services.

To secure these monopolies they relied upon semi-private, and later state, forces of repression and containment.

Hence the nation-state inevitably clashed with other nation-states. This contradiction, while not absent from the period of free-competition capital, particularly characterises the imperialist epoch. In part this is due to the fact that capital expansion can only be a process of re-dividing a world that has already been grabbed by rival powers. But it is also due to the fact that in capital expansion in the imperialist epoch the export of capital (whether portfolio or fixed direct investment) predominates over the export of commodities.

Hence, armed supervision of global trading routes was typical of the pre-imperialist epoch together with the use of force to open up the closed markets to the goods of monopolies. The imperialist epoch added the need for the state to supervise the site of extensive investments themselves.

In turn this led to the systematic outbreak of wars and revolutions within this imperialist epoch: wars for the forcible re-division of the world into protected "spheres of influence" and "backyards"; revolutions prompted by wartime privations, the collapse of defeated ruling classes and by the injustice of national oppression.

Throughout the 20th century the major shifts in trade and investment have been a result of competitive accumulation between blocs of monopoly capital, largely backed by distinct nation-states in which these monopolies have their origin.

The central argument of the "globalisation thesis" is that over the last 20 years or so this process of development of monopoly capital has led the monopolies to outgrow the nation-state, to loosen their ties of dependency and loyalty to these states irrevocably. As a result the process of capital accumulation has developed to a point where it is no longer controllable by the traditional political and economic mechanisms available to national governments.

What factors are supposed to prove this thesis?

The end of the USA's absolute and unconditional hegemony – marked by the collapse of Bretton Woods fixed rate exchange system in 1971, the independence of the Arab state oil producers after 1973 and the enforced military retreat from South East Asia by 1975 – is said to have fatally weakened the over-arching control of the pre-eminent nation-state in the capitalist world.

The end of the post-war order after 1989, with the collapse of Stalinism, has unfrozen the established relations of dominance and subordination within the capitalist world and further weakened the ability of nation states to co-ordinate and co-operate in the regulation of trade, international finance and investment flows.

In addition, in the early 1980s the domestic economic policy of the major industrial countries shifted dramatically away from the traditional expansionist, deficit spending policies associated with Keynesianism. The new watchwords were efficiency, debt reduction, risk spread and financial discipline. Economic policy was set by corporations and politicians that stressed the benefits of open trade, deregulation and an end to protected markets for trade and investment which would "shield economies from powerful sources for growth", in the words of the Economist.

It is argued that these trends are, in turn, reinforced by developments in communication and finance. Currency markets are no longer bounded by time zones or borders. Money moves in the blinking of an eye.

Meanwhile changes in the organisation of production mean a shift away from mass production in huge plants to the various techniques and methods of lean production, "Just In Time" (JIT), flexible working, Total Quality Management (TQM) and so forth. These methods lend themselves to the localisation of production to be nearer markets or to seek out cheaper labour.

Thus globalisation can go alongside localisation. In either case the ability of states to regulate the movement of production is limited.

Against the view of a world economy heading pell-mell towards total globalisation and integration, Hirst and Thompson provide a useful historical account of the development of the international economy this century which puts into perspective the scope of the changes set in motion in the 1970s.

First, Hirst and Thompson argue that the level of internationalisation and openness of the world economy is not unprecedented. They point out that the period of expansion in the late 19th century involved not simply a growth of investment related to primary production but also to manufacturing. International trade, too, has not followed a simple pattern of growth: it has expanded and contracted according to various political and economic developments.

They point out that the volume of total international trade grew 3.4% p.a. in the period 1870-1913, less than 1% per annum 1913-1950, and then boomed again at an annual rate of 9% between 1950 and 1973. Furthermore, trade as a proportion of domestic output was higher in 1913 than in 1973.

Similarly, international movement of labour was proportionately higher in the mid-19th century, the historic high point for voluntary family migration. Indeed, the generalised imposition of controls on the movement of labour by most states is hardly evidence of a fluid international economy.

Beyond multi-national capital?

One supporter of globalisation writes:

"The emerging global order is spearheaded by a few hundred corporate

giants, many of them bigger than most sovereign nations. Ford's economy is larger than Saudi Arabia and Norway. Philip Morris's annual sales exceed New Zealand's GDP".[10]

For the globalisers, the TNCs are seen as an alternative institution to the nation state as organisers of production. The sheer size of their operation is increasing the weight of these corporations in relation to other institutions. In 1990-1, 135 TNCs had sales in excess of $10 billion while 60 countries had a GNP of less than $10 million.[11] The number of multinational corporations has increased but so too has the concentration of assets. Seventy per cent of all foreign direct investment (FDI) is made by the top 300 TNCs and 25% of all capital is held by them.[12] While MNCs have long existed globalisers insist that a qualitative shift has occurred (or is occurring), in turn partly related to the size of the giant corporations.

But the size of the monopolies is less important than the "global reach" of the TNCs. A number of the biggest players, such as IBM and ICI, rely for over half of their revenue on foreign sales. Nestlé provides the most extreme example; over 98% of its sales are outside Switzerland.[13]

The power of the multinationals means that even rich nation states are unable to withstand the pressure. For instance, Canada's policy of allowing generic copies and encouraging the provision of cheap medical drugs fell victim to pressure from the pharmaceutical industry.[14]

This extended global reach is not confined to trading. Global restructuring has occurred on a huge scale through acquisition and merger and the increasing use of joint ventures (especially in the developing capitalist economies). A feature of the 1980s and 1990s is the way in which TNCs move production to take advantage of cheap labour or inducements such as those provided by the maquiladoras factories on the US-Mexico border.



WORLD BANK CHIEF MICHAEL WOLFENSOHN

Production does not necessarily move to less developed countries. But increasingly it moves within the developing trade and investment blocs or between them. Examples abound: Grand Metropolitan moved Green Giant food production from Canada to Mexico; Bendix moved from Canada to South Carolina; Japanese and South Korean components' manufacture has moved to the low wage, subsidised, South Wales corridor in the UK.

By 1991 over half of all US exports and imports were transfers of components and services within the same company, most of these being US based TNCs. This state of affairs led the company president of Bulova watches to comment:

"We are able to beat the foreign competition because we are the competition". [15]

The combination of this global reach and new technology is what leads some of the corporations to positively embrace the idea of being transnationals who pursue the goal of a stateless corporation. "IBM, to some extent, has successfully lost its American identity", said one of its senior vice-presidents.

This picture of the stateless transnational has been challenged by Hirst and Thompson. In their view only a few multinationals have reached the status of "transnationals" and they qualify the extent to which the giant multinationals have broken out of the boundaries and protection of the nation state.

They argue that, while there has been a substantial increase in FDI in the 1980s, in terms of sales, assets, the possession of subsidiaries and affiliates, multinationals still rely heavily on their home base. There are variations of course: the Japanese based multinationals had a massive 92% of manufacturing assets and 97% of service assets based at home in 1993. For the US the figures were 70% and 74% respectively. Most European countries were less nationally based but their assets and sales outside their own borders are predominantly in Europe. Their analysis of this data leads Hirst and Thompson to conclude:

"International businesses are still largely confined to their home territory in terms of their overall business activity; they remain heavily 'nationally embedded' and continue to be multinational corporations rather than TNCs".[16]

Hirst and Thompson conclude that "genuinely 'transnational' companies appear to be relatively rare"[17], and that increased capital mobility has not produced a shift of production to developing countries.

On the contrary, they argue, FDI primarily moves between the major economies. The "global" economy is a very concentrated one. Some 90% of FDI is sourced in 10 developed countries and two thirds of this in four: the USA, UK, Japan and Germany. Furthermore three-quarters of FDI goes to North America, Europe and Japan. The largest 100 MNCs account for 33% of FDI stock.

The massive subsidy to US grain production has encouraged the undermining of self-sufficiency in less developed countries locked into a trading bloc with the US.

These figures reflect the fact that what is developing is not a global economy but one concentrated in a "Triad" of blocs – Europe, Japan and the US. In this sense it is more accurate to speak of the "regionalisation" of the world economy rather than its globalisation.

Moreover, far from breaking free of the constraints of the nation-state even supporters of the "global reach" idea have to acknowledge that a giant TNC, such a Philip Morris, relies heavily on the backing of the US government and US dominated institutions. The massive subsidy to US grain production, for instance, has encouraged the undermining of self-sufficiency in less developed countries, including Mexico, locked into a trading bloc with the US.

So too as Philip Morris expands out of tobacco products into food it seeks government help in gaining access to these markets.

Most TNCs secure this assistance by deploying their vast budgets for lobbying governments and legislatures, as well as international agencies:

"Global companies still look to home governments to protect their existing markets and to provide muscle for penetrating markets, to keep labour and environmental costs down and to subsidise their operations in various ways."[18]

The most obvious way in which the state acts for capital and the nation-state acts for national capital is in the control of labour. This includes the laws governing contractual arrangements as well as legislation affecting the operation of trade unions. Whether in brutal attacks on strikers, in the imprisonment of union leaders such as in Nigeria, or the draconian anti-union laws in Britain, the state is still a vital institution for capital.

States also control the movement of labour. Supporters of the globalising thesis argue – depending on their perspective – either that labour is mobile or that capital is increasingly moving to find cheap labour. According to some estimates, 75 million people leave poor countries every year. Labour migration is, however, subject to strict controls. While movement of labour has been freed within the EU, the borders have simply shifted to create "Fortress Europe", with the seven nation "Schengen area" at its heart.

While they are a useful corrective to those globalisers who overstate the trend to TNCs and their rupture with the nation-state a number of points need be registered against Hirst and Thompson's figures and their reading of them.

In particular they do not give much weight to the increasing tendency to establish joint ventures between MNCs and smaller domestic capital or state-owned capital; their figures also appear to ignore subcontracting out by MNCs

which also leads to an undervaluation of the real power and reach of international monopoly capital.

Further, if one looks to the British experience at the other end of the spectrum from the nationally-rooted Japanese and US MNCs, then a dramatically different picture emerges. British manufacturing firms make only 36% sales and hold only 39% of their assets in the UK.

Additionally, Hirst and Thompson do not account for the relative weight of the seriously global firms whose interests are less and less based in any one country.

Trade and finance

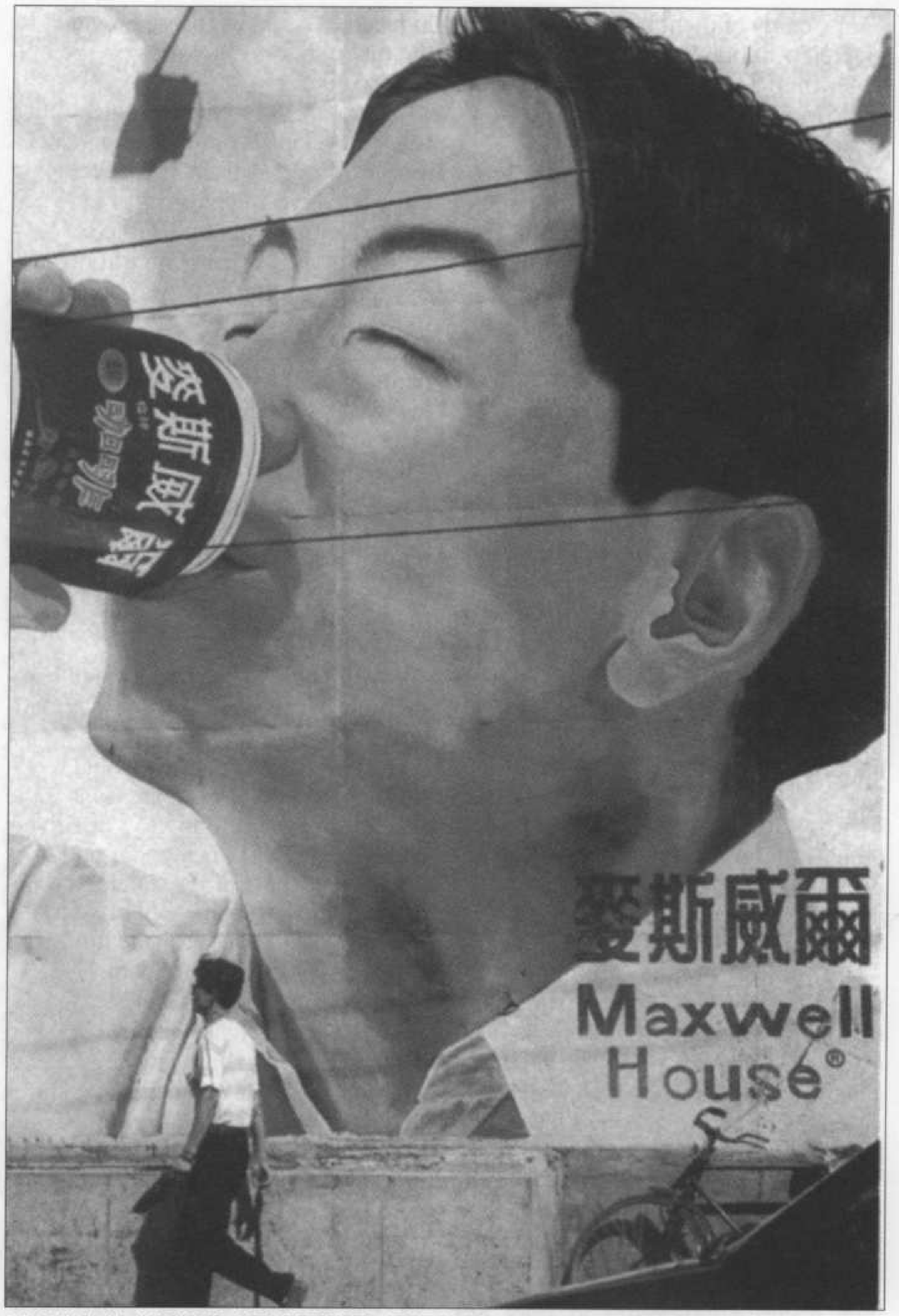
Over the last decade, trade has been growing twice as fast as output.[19] Even the United States, which has a huge home market, has experienced a relative rise in trade over several decades. The sum of all imports and exports in the US was equivalent to 10% of GNP in 1965. By 1990, this had risen to 25%.[20]

The globalisers emphasise these developments. Even Hirst and Thompson note the rise in both trade and, since the early 1980s in FDI relative to the export of goods. They note that between 1983-1990 FDI flows expanded at an annual rate averaging 34%. However, they question whether the experience of the 1980s represented a "robust structural change" or a cyclical upturn. Their conclusion is that there will be no return to the pre-1980s position but that equally the early 1990s surge is unlikely to be repeated unless there is another synchronised upturn in growth rates.

In fact, current indicators are that this "surge" continues for the moment. Not only has trade been outstripping output but FDI has been growing three times as fast.[21] The latest UNCTAD report on World Investment shows a continuing surge in FDI, mergers and acquisitions and in global localisation. Global investment inflows rose by 40% in 1995 to $315 billion. Most of this was to the already industrialised countries but there was also a record rise in funds flowing to the Less Developed Countries (LDCs).[22]

For Barnet and Cavanagh the nation state "looks more and more like an institution of a bygone age".

Hirst and Thompson argue that, in general, openness to capital flows was greater in the period 1900-1914 than in the late 1980s. But they do recognise the "admittedly phenomenal" growth in international financial flows of late. They attribute this to the end of fixed exchange rates in the 1970s which in turn prompted an end to capital controls and the integration of trading on currency and equity markets. This development, they argue, is indeed "unique" to this period of international capitalism.



MAXWELL HOUSE ADVERTISEMENT IN SHANGHAI, CHINA

It was the combination of the neo-liberal policies of the 1980s, the "openness" of the financial markets and the new technology that led to the extraordinary growth of "hot money". Typical daily foreign exchange dealing has now soared to £1.3 trillion.[23] Cross border transactions in bonds and equities have surged from 3% of America's GDP in 1970 to 136% in 1995.

But does this transformation of the international financial markets in the 1980s bear testimony to the "liberation" of capital from the constraints of state or international control?

This returns us to the heart of the globalisation debate. Can states exert any control over international capital? Are there other institutions which can rule for the bourgeoisie? Can capitalist competition flow through alternative channels?

For supporters of the globalisation thesis, capital has broken the bounds of the nation states. For Barnet and Cavanagh for example, the modern nation state "looks more and more like an institution of a bygone age".

For Ohmae:

" . . . nation states have already lost their role as meaningful units of participation in the global economy of today's borderless world".[24]

Waters argues that the various explanations of an international, rather than a global economy fail to recognise:

" . . . the extent to which states are now surrendering sovereignty to international and supra-national organisations as well as to more localised units".[25]

This view is wrong for two reasons. First, it mistakenly sees the nation state as the passive victim of the process of economic globalisation of MNC capital. Secondly it refuses to recognise the scale of intervention by governments over the last ten years to try and constrain the negative effects of off-the-leash capital movements.

The globalisation argument fails to appreciate the degree to which the impetus to deregulation and openness in the world economy was the one-sided and particular interest of the major imperialist countries in the 1970s.

Back in the 1970s the USA and UK governments, in alliance with the major

sectors of finance and industry, were of one mind: their national interests would be best served by forcing the other countries of the world to open up their financial markets to them. They were "market leaders" in most financial products and stood to gain enormously from their competitive advantage. The UK and US blazed the trail and forced all the other markets to follow suit or lose even more market share for these financial products.

Secondly, national governments do intervene to direct and limit the negative consequences of the movements of capital. When the ERM broke down in 1992 Portugal, Spain and Ireland briefly imposed some capital exchange controls to defend their currencies. The US government intervened massively in 1994 to rescue mainly US bond holders who stood to lose $50 billion as a result of the collapse of the Mexican peso. In the early 1990s the US government did a similar thing when faced with the Savings and Loans crisis after the post-1989 recession hit home. In response to the $500 billion worth of bank losses in Japan after the 1989 property market crash the Japanese government abruptly reversed or slowed down its deregulation of its own financial markets.

In this sense Joyce Kolko puts a more realistic view than the globalisers when she notes:

"States are both withdrawing from their direct participation in the economy and becoming more engaged. They remain ready to rescue the largest corporations that face financial crisis. The IMF restructuring packages, policies of massive interference in the economies of the LDCs, have only increased the chaos and misery in these countries."[26]

The very real moves to a single European currency by 1999 are also a function of the combined efforts of smaller EU states to offset the spontaneous economic effect of the single market in financial products, a move which has overwhelmingly benefited UK and German finance capital as it was intended to do. Such openness was accepted only on condition that the smaller states would receive a measure of control over monetary and financial policy that a single federal European Bank would bring.

Here the "nation-state" has taken the form of a pan-European "state" but the mechanism of supranational control is not free from the decisive influence of individual nation states: it is a tool for them.

This real blind spot in the globalisers' argument once more stems from their leaping over the fact that the real contradiction between national state and global capital is now, and in the immediate period ahead, producing the regionalisation of the international economy and pan-national political developments.

Hirst and Thompson make an opposite error. They see the scope for nation-state intervention and even regulation by supra-national bodies and regional organisations. Hirst and Thompson believe that nation-states are still active in the control of international finance and could be more so. They fail to see that the form this intervention takes is not the harmonious outcome of "rational" dialogue between international partners, but rather the function of unilateral pressure, bullying and intimidation by the major imperialist nations.

Supporters of the globalisation thesis tend to discount the possibility of inter-state conflict including the possibility of international war.

So for example, in 1987/88 the UK and US governments forced all G10 governments to impose their own "capital adequacy ratios" on all the G10 banks in order to forestall an international banking crisis. Both countries threatened any bank that refused with exclusion from both New York and London.[27]

Similarly in 1988 the "national interest" of the US was deemed to be served by an attack on drug money laundering through the international banking system. The US gained compliance by threats aimed at reluctant banks and a new regulatory system emerged.

Hirst and Thompson make a second error in this regard. They exaggerate the ability of the international regulatory agencies to deal effectively with the consequences of the international financial system. They clasp a telescope to their blind eye when they argue that "volatility could diminish" . . . "more or less automatically" and that the "trend is now for re-regulation" by international bodies.

It is hard to share this view of recent trends. Daily market turnover in the financial markets has increased threefold between 1986-92. The ratio of government bank reserves to market turnover has gone from 3.5: 1 in 1983 to 0.5:1 in 1995. The total of $1.3 trillion is double the combined reserves of the G5 governments.

It may well be true – as US Treasury Secretary, Robert Rubin, said at the June 1995 G7 summit – that the key challenge is:

" . . . to develop effective multi-lateral mechanisms to deal with the problem that may arise from the vast increases in the speed and size of the international financial markets . . . "[28]

But the fact remains that the General Agreement on Borrowing (GAB) set up at that summit has a facility of $29 billion, climbing to $60 billion in time. This is worth a mere 85 minutes of international foreign exchange trade!

As to the IMF and World Bank acting to direct the markets, the whole trend of liberalisation over the last 20 years has meant that private finance, not public or inter-governmental money has grown in importance. The sums distributed by the IMF and WB account for little today and thus give these institutions little leverage over the markets.

Crisis or reform of the system?

Because the supporters of the globalisation thesis downplay the significance of states, they also tend to discount the possibility of inter-state conflict including the possibility of international war. For instance, Barnet and Cavanagh argue that:

"The fundamental political conflict in the opening decades of the new century, we believe, will not be between nations or even between trading blocs but between the forces of globalisation and the territorially based forces of local survival".[29]

Ironically, however, Hirst and Thompson also end up with a utopian view of the prospects for world peace and security. This is derived from their reformist perspective. Although for them there is no globalised economy or one likely to emerge, what we have is:

" . . . an open world economy based on trading nations and regulated to a greater or lesser degree both by the public policies of nation-states and by supranational agencies."[30]

For them the growth of trade and investment blocs rather than being a harbinger of future conflict, is evidence of the continued influence of (reformable) states and governments. It is also seen as underpinning the willingness of multinationals to operate within certain constraints in exchange for certain guarantees. Where globalisers see a "new world chaos", the reformist "anti-globalisers" postulate a benign regime where, through the medium of Europe, Japan, the USA and international agencies, a form of regulation prevents the worst instabilities of the financial markets and ameliorates inequalities.

Thus:

" . . . forms of control and social improvement could be achieved relatively rapidly with a modest change on the part of the key elites".[31]

In fact this social improvement would really be a question of the rich men's club managing its affairs in a more friendly and successful manner – at the expense of the poor. That has been the outcome of every "successful" round of negotiations at GATT/WTO. The most powerful countries can succeed for a while in keeping a relatively "open" world economy. The result is that poor African countries end up dependent on the grain prairies of the US and protection for new industries in the LDCs becomes harder and harder to achieve. At the same time the growth of the trade and investment blocs shows that the barriers against each other are ready to be developed.

Just like the "extreme globalisers", Hirst and Thompson are also blind to the possibility of inter-imperialist war. They are convinced that the nature of modern warfare precludes global war:

"Armed forces are thus virtually an irrelevance for the major advanced states in their dealings with one another."[32]

Sharper eyes should be able to detect – both in the Balkans, and in Central Africa – an emerging imperialist rivalry. These are not simply limited wars on the "periphery". They are harbingers of the

conflicts to come unless the international working class can "globalise" and challenge the anarchy of the capitalist system.

Marxists approach the whole "globalisation" question from a different angle.

We first seek to grasp the nature and limits of the present phase of international capitalism. Hirst and Thompson stress the points of continuity with earlier phases of the imperialist epoch and rightly underline the fundamentally national base and limit of the capitalist class, their dependence and ties with nation-states. What they underestimate is the scale of the recent developments and their potential to overwhelm collective co-operative efforts of national governments.

The extreme proponents of the globalisation thesis, on the other hand, quite simply mistake a process for a finished fact – ignoring the countervailing tendencies within the system: continued state intervention, inter-imperialist rivalry between the major trading blocs and within the blocs.

So how will change come? It was the national interest of the UK and US MNCs in industry and finance that led to the far-reaching changes in movement of investment that some have come to call globalisation. This development corresponded completely to their national interest since they had the most to gain from such an opening up of the world.

It was not some disembodied process of capital accumulation at work here but a policy of nation-states and real nationally based capitalists working in tandem to break down obstacles to their further growth.

At the same time, this development once it reaches a certain point escapes the control of one or any combination of nation states.

The very process unleashed by the US and UK in the 1970s and 1980s, which has led to the situation of instability, openness etc. have in turn undermined their own competitive advantage. Already the OECD and Bank for International Settlements have noted this.

To this extent abrupt reverses in the direction and scale of capital movements, as well as the openness of the world economy, will not emerge as a result of the wisdom of international agencies but from the eruption of crises and the unilateral attempts by the major imperialist powers to solve them according to their national interests at the expense of their rivals.

It is into this process that the working class, and especially the organised labour movements, can intervene. But how?

Globalising the class struggle

The most radical of "globalisers", who stress the extent and power of the new transnational capitalist class, are in essence deeply pessimistic.

The collapse of Stalinism leads them to see global capital as unchallengeable: if the nation-state has surrendered its regulatory powers over capital then what is the use of reformist parties taking over government?

If the financial tide is too strong to be held back by the concerted efforts of several nations then what hope social transformation? The labour movements are weak and isolated from each other while the capitalist class is unified at an international level.

All they can propose is an incremental process of "globalisation from below"[33], whereby solidarity networks are built – as with the Zapatistas in Mexico – via the use of the internet to break down national barriers.

Revolutionary socialists do not despair at the further internationalisation of the world economy. The traditional reformist mechanisms of limiting the movement of capital failed because they left ownership of the main wealth and productive power in the hands of a few major companies and banks. Using taxation and monetary policy to influence the direction of capital failed utterly in these circumstances.

The latest prescriptions of the new regulators, such as a spot tax on currency exchange transactions to deter speculative dealings, will likewise fail to tame the anarchic markets. The working class needs to expropriate the banks and major MNCs as a precondition for socialist change.

Revolutions rarely occur simultaneously in several countries. Revolutionary states will find their international assets frozen; they will find their currencies marked down or deemed non-convertible. The established patterns of trade will possibly be severely disrupted; access to the international capital markets for investment in plant and industry will be more difficult.

But all these things will signify that a revolutionary process is underway: a crisis of dislocation the effects of which will be felt in many countries, giving rise to the conditions for solidarity and revolution elsewhere.

Reformism rightly fears globalisation. The internationalisation of capital means that all attempts to limit its movement and power from a national economic standpoint will prove partial and temporary.

Revolutionary socialism has no reason to fear the internationalisation of capital. It creates an Achilles heel for the profit system wherever serious workers' resistance obstructs the implementation of internationally decreed austerity measures. It also means that far right populist protectionism – stirred up by the effects of globalisation – will remain utterly dysfunctional for the imperialist bourgeoisies. It means too that imperialist war – which is driven not just by the logic of competition but also by internal crisis, and which is immanent in the system – has an amplified power to disrupt the system.

The workers' movement has to cope with the globalisation process by refocusing its programmatic goals. Even minimal anti-capitalist measures would bring a workers' government inside the EU right up against the pan-European economic mechanisms and treaties. And yet, both at a political and economic level, co-operation within Europe would be vital to the survival and extension of a nationally started revolution.

In this light the new age motto: "think globally, act locally" appears doubly stupid. Those engaged in resistance have to think globally but also nationally. They should not be mesmerised by the mantra "globalisation" into believing that the national, governmental arena of struggle can be ignored.

At the same time we have to act globally. If there were no mass workers' movements; if resistance really was the sole preserve of small, single issue groups, then the advice "act locally" might make sense. But the globalisation process has created and extended an international working class.

The Pepsi and Levi signboards that festoon Lagos, Seoul, Dhaka and Jakarta only extend the daily reminder to millions that the life of comfortable consumption they represent is only available to an elite.

Capitalism, as always, creates its own gravediggers. The working class is the only force on the planet that has the objective self interests to act globally.

The whole of revolutionary socialist politics in this century can be summed up in the imperative: act globally. After all – as the Irish revolutionary James Connolly wrote – we only want the earth!■

FOOTNOTES

1 "The juggernaut of exchange values is also invading the intimate private spheres of community,family and culture." W I Robinson," Globalisation: nine theses on our epoch" in *Race and Class* London Vol38 No2 October/December 1996, p15

2Paul Hirst and Grahame Thompson, *Globalisation in Question* Cambridge 1996, p7

3 ibid p10

4 ibid p11

5 Robinson op cit p16

6 Kenichi Ohmae, *The Borderless World* London 1990

7 Hirst and Thompson op cit p10

8 Robinson op cit p18

9 ibid

10R Barnet and J Cavanagh, *Global Dreams: Imperial Corporations and the New World Order* New York 1994

11 See Leslie Sklair, *Sociology of the Global System*, Hemel Hempstead 1995

12 Malcolm Waters, *Globalisation* , London 1995

13 See L Skair op cit

14 See "The New Globalisation" *New Internationalist* 246, August 1993

15 R Barnet and J Cavanagh, op cit

16 Hirst and Thompson, op cit p22

17 Hirst and Thompson op cit p2

18 Barnet and Cavanagh, op cit

19 Economist 29 September 1996

20 Barnet and Cavanagh, op cit

21 *Economist* 28 September 1996

22 *Economist* 26 October 1996

23 *Economist* 28 September 1996. On average, three-quarters of this figure is foreign currency exchange transactions and the rest is turnover in equities and government bonds.

24 K Ohmae *The End of the Nation State: the Rise of Regional Economies*, New York 1995 p12

25 Water op cit

26 Joyce Kolko, *Restructuring the World Economy* New York 1988

27 *State against Markets: the limits of globalisation*, London 1996 p202

28 Quoted in Erik Peterson, "Surrendering to Markets" in *New Forces in the World Economy, London* 1996 p271

29 Barnet and Cavanagh, op cit

30 Hirst and Thompson op cit p16

31 ibid p53

32 ibid p63

33 Robinson op cit p20

New Labour...



New Government?

By Mark Harrison

THE LONG night of Tory rule in Britain looks to be coming to an end. The likelihood is that in the spring of 1997 the Labour Party will win its first general election since 1979. The new government will preside over an utterly changed political landscape.

Both of the major British political parties - the Tories and Labour - have changed immeasurably over the last 18 years. In 1979 Thatcher's Tories were a neo-liberal vanguard party of the ruling class. They had a clear programme of class struggle against all of the gains made by the working class in the post-war period. In particular they targeted the organisations that had led the working class through those years - the trade unions and the Labour Party itself.

Thatcher was dumped by her party in November 1990 in the aftermath of the mass revolt against her poll tax legislation. Since then the Tories have been as much at war with themselves as with the working class. After John Major's 1992 general election victory, the Tories' entire economic policy ran aground almost immediately when they were forced to withdraw sterling from the European Exchange Rate Mechanism (ERM).

Despite the weak economic recovery that this calamitous event precipitated, the Tories were profoundly damaged. They have been unable to recover the electoral base in the middle class and upper reaches of the working class that brought them four successive election triumphs. Successive tax increases and crises of underfunding in the education and health services have alienated millions of former Tory voters.

Furthermore, the great outburst of popular anger at the programme of pit closures in 1992 - when thousands marched to defend the miners' jobs - exposed the vulnerability of Major's small parliamentary majority. Popular pressure forced some his own back-benchers to threaten a parliamentary revolt.

By-election defeats and unprecedented defections from the party have whittled away his original 27 seat majority. At the time of writing he has no overall majority which has left him reliant on the Ulster Unionists. A succession of scandals involving corruption and sexual hypocrisy has left voters disgusted by the sleaze oozing from the government's pores. There has been a mounting recognition that the government, though vicious, is incapable of inflicting the scale of defeats on the working class that Thatcher achieved in the 1980s. It was, and remains, a divided and weak government.

Internally the Tories' divisions grew ever sharper, especially on the question of Europe, the single currency and federalism. Parties have formed within the party; chief among them stands the anti-European faction around the Conservative Way Forward group. In turn the Referendum Party of billionaire James Goldsmith is acting as a stalking horse for the anti-federalists, to pressure Major to make concessions to the Eurosceptics and to pursue an uncompromising stance in negotiations with other European powers.

The Eurosceptics have waged constant warfare against both Major and the pro-European faction on which he has been forced to rely for support. On behalf of the anti-federalists, Cabinet member John Redwood stepped down to mount an unsuccessful leadership challenge to Major in 1995. Since then they have worked to get as many of their supporters as possible selected as Tory candidates for the next parliament, in preparation for a renewed assault on Major should he lose the election.

These divisions cannot be wished away or papered over. They reflect deep divisions within the ruling class. The Tories may be the first-choice party of the capitalists but the bosses are themselves deeply divided over the future of British capitalism in Europe. Those businesses geared principally to the home market resist monetary union because they fear that further political federalism will follow and this in turn would erode their comparative advantage over European competition: low labour costs. In addition many large firms who sell to global markets fear the consequences of sharper conflict between Europe and the rest of the world for their ability to maintain open world trade and investment.

On the other hand, powerful sections of British-based multinational capital are clamouring for more European unity not less. This arises from their drive to compete with their rivals in the US and Japanese imperialist economic blocs. Their markets are in Europe; they would benefit from the lower transaction costs that monetary union would bring. Important parts of the financial sector in the City would lose business in the currency markets to Frankfurt if Britain stands aside from the first wave of coun-



CLARE SHORT - ONE OF MANY LABOUR LEFT TRAITORS

tries adopting the single currency in 1999.

The Tories are reflecting these structural and strategic differences within British capital. But they cannot resolve them. Only a large Tory parliamentary majority at the next election which utterly marginalised the Tory Euro-phobes and sceptics could hope to do it; but this is sheer fantasy. They are likely to become the main party of opposition.

Blair explained how through the abolition of Clause Four he was replacing socialism with "social-ism"

If Labour gains an overall majority Major will most likely resign as leader and there could even be an actual split in the Tory Party leading to a regroupment in the centre and far right of British politics. Such a split is far from excluded, but it is by no means a certainty. Its pace and development will depend upon the magnitude of the Tory defeat and the recognition by remaining Tory MPs that a split party may become unelectable.

It will also depend upon developments in Europe itself. A two stage European Monetary Union, leaving Britain outside the central European core along with other non-qualifying nations, may give the Tory party some breathing space before a split over monetary union is required. Nevertheless, the fact that such a potential split can even be considered indicates the extent of the instability that exists at heart of Britain's longest ruling political party.

1 p 77, *The Blair Agenda*, edited by Mark Perryman, London 1996

2 Letter of Alan Simpson (Secretary of the Socialist Campaign Group of MPs) to Socialist Campaign Group Supporters, November 1996.

3 p 419, *Tony Blair*, by John Rentoul, London 1996

4 p3, *New Britain*, by Tony Blair, London 1996

5 p4, ibid.

6 Observer, 24.9.96

From Lab to Lib?

By contrast, the Labour Party under Tony Blair appears to be a model of unity and stability. It presents itself to the electorate as certain of its ability to win a decisive victory in the election. As Robin Cook, supposedly one of the more left-wing figures in Blair's team, put it, "we are united and disciplined and biting our tongues... "[1] Any MP who steps out of line is rebuked or demoted. Dissidents in New Labour are about as welcome as they were in Stalin's Communist Party.

Appearances, however, can be deceptive. Cook's reference to people "biting their tongues" is testimony to the repressed conflicts in the ranks of the Labour Party. These will grow sharper if Labour wins the election.

For Labour is going through profound changes. They open up two important prospects. The first is of major struggles in the labour movement over the future character and structure of the party. The second is of sharp conflict between the working class and a Blair government.

A common feature of the British labour movement in pre-election periods has been a declaration of peace. The unions do their utmost to keep their members placid, the party factions shut up shop and MPs swear an oath never to criticise their leaders. Even during Labour's years of internecine warfare in opposition (1979 to 1982), the then powerful left-wing led by Tony Benn dutifully surrendered to the right in 1982 in the name of unity as the general election date approached.

Given the widespread support that Blair received in 1994 when he was elected as Labour leader, one would have expected absolute peace in the labour movement. There is nothing of the sort.

This is not a result of the Labour left cutting up rough. They are too weak and demoralised to do anything of the sort. They have refused point blank to campaign in the election for the "socialist" policies cast aside by Blair, claiming that these will be seen as "anti-Labour".[2] Instead they will fight exclusively on Blair's Manifesto, which itself rides roughshod over existing official party policies.

In fact it is the right-wing that is "rocking the boat". The unease in the party is a result of the continuing offensive by Tony Blair and his faction of "modernisers" against any remaining policies and organisational structures connected with what he has disparagingly called "Old Labour". This offensive has provoked unrest in the ranks of the trade union bureaucracy and the parliamentary party. Blair will be not be seriously challenged prior to the election because the union leaders and left-wing MPs believe that he is essential to win the election. Nevertheless they are determined to issue guarded warnings now.

The reason for this is that sections of the labour movement are beginning to realise that Blair's war on "Old Labour" is not simply a campaign against the left. It is an attack on the entire tradition of Labourism - left and right. His triumph in abolishing the old commitment to public ownership - Clause Four - was a clear signal of his plans for the party. While Clause Four was largely symbolic, what it embodied was Labour's past as a creation of the working class movement. Its abolition was a break from this past and summed up Blair's onslaught on almost all pre-existing programmatic tenets of Labourite reformism.

Blair explained how through the abolition of Clause Four he was replacing socialism with "social-ism" :

"Social-ism... is not about class, trade unions or capitalism versus socialism. It is about a belief in working together to get things done."[3]

That this concept is indistinguishable from Liberalism has been acknowledged by Blair himself. In this way the attack on the political and programmatic premises of Labourism has led directly to an attack on the very premise that led to the party's foundation: the need for the independent representation of the workers in parliament. Blair has been candid about this:

"...the ideology was out of date; and yet the structures of the party had no means of bringing that home... The task today is to reconstruct our ideology around the strength of our values and the way they are expressed. And then to create an organisation to match and reflect the ideology."[4]

Blair is not simply talking about reforming an existing party, but of creating a new organisation. That organisation should be sufficiently free from class identification to win back Liberals to a "political consensus":

"To reach that consensus we must value the contribution of Lloyd George, Beveridge and Keynes and not just Atlee, Bevan or Crosland. We should start to explore our own history with fresh understanding and an absence of preconceptions."[5]

Thus on the eve of the 1996 TUC Congress, Blair signalled to the Observer newspaper that he is the first Labour leader to lament the very formation of his own party. He wrote that he regrets the "division of radical politics at the end of the last century and beginning of this, between Liberals And the Labour Party."[6]

The fact that this was followed by the well-publicised leak by Blair's front-bench spokesman Stephen Byers during the TUC Congress of plans to sever the party's links with the unions altogether indicates that these are not mere rhetorical flourishes from Blair. They are expressions of his ultimate aim: to uproot the party from the soil of the trade union movement, to transform it into a party that has no organisational relation to the working class.

Blair's "modernisation" means turning the clock back 100 years and bringing a century of limited working class political independence in Britain to an end.

In organisational terms Blair's vision requires a party machine that is no longer dependent on the trade unions for its mass base, its electioneering apparatus and, above all, its money. Again, he is candid about the problem:

"Quite naturally, as a party born out of the trade unions and formed largely to represent people at work, the trade unions had a major say in party structures. As the class contours of society changed, however, this has meant that the party has struggled against a perception that it had too narrow a base in its membership, finance and decision making."[7]

To deal with this Blair has campaigned to enlarge the membership base by recruiting thousands of new party members from all social classes. He is nowhere near achieving the sort of numbers he needs but his whole stress is on individual rather than affiliated union members. On finance he has worked assiduously to reduce dependence on the unions. Union financing of Labour is in decline. It has fallen from 77.1% of total funds in 1986 to 54.2% in 1995. It is likely to fall below 50% for the first time ever this year.

"Fund raising" (including donations from millionaires) has risen from 2.2% of the total income to 18.6% over the same period. While the unions' contribution remains vital for Labour to fight and win the coming election, the decline of its share of total income is something Blair will seek to continue.

One widely mooted alternative is the provision of state funding for political parties. In the context of widespread corruption by Tory MPs and an undemocratic system which enables the Tories to receive millions from big business without disclosure, there is every possibility of Blair attracting substantial support for this measure, which could then be used to curb and ultimately remove the influence of the unions on the Labour Party.

As for reducing the unions' role in decision making, Blair has his predecessors Kinnock and Smith to thank for reducing their share of the vote at party conference to 70% (falling to 50% as individual membership rises) and for accepting the introduction of "one member, one vote" in constituencies - which wiped out union influence on the selection of candidates at a stroke.

Burt Blair has gone far beyond these formal rule changes. He has bypassed the traditional methods of decision making - the conference, the National Executive Committee and the various liaison committees that exist between Labour and the unions. Instead he has introduced plebiscites of the members. The decision to put the draft election programme, Road to the Manifesto, to the membership by means of a postal ballot of all members and affiliated members (those in unions who pay the political levy) was a means of avoiding debate, avoiding an organised discussion between the party and the unions and



MANDELSON – JUST A SPIN DOCTOR?

thereby getting a passive membership to give "yes" or "no" answers to policies decided for them by Blair's office. It is a de facto structural change, despite the fact that Blair promised the union leaders after the Clause Four debate that no further such changes would take place until the year 2000. It was a test of how far he could go in driving home the transformation of the party. As he explained on television:

Modernisation

"There is an element within the Labour Party, though much smaller than people think, that disagrees with the modernisation drive of the Labour Party. But in my view that drive is right. This process will put it to the test, just as Clause Four put it to the test."[8]

In the event the turn out was low. But the end result was an overwhelming endorsement of his manifesto, without any divisive debates at conference, without any block votes and without any alternatives being able to be put to the membership. The plebiscite served its purpose in providing Blair with a new, profoundly undemocratic, mechanism for running the party.

Soon the official organs through which the unions exercise decisive influence - notably the annual conference and NEC - will be up for substantial change by Blair. Tom Sawyer, a former union official and key Blair man running the party machine, is busy drafting plans for a new organisation. Of the annual conference he says:

"I think there will be a move to change the party conference. It's already more of a showcase for Labour... The policy forums are showing new ways of discussing policy in small groups, study circles."[9]

Blair is getting all his betrayals in before the election. Blair's manifesto has been shorn of virtually any firm promises to the party's working class base.

The policy forums are not elected bodies and are only accountable to the leader. Party democracy, or what is left of it, resides in the right to challenge the leadership over policy at conference. The Blair faction prefer the model of party conventions in the USA, or a "long party political broadcast", as another Blair supporter, Margaret Hodge MP, has put it.

The early date - October 1997 - that Blair intends to introduce such sweeping reforms is instructive. Coinciding with the real opening of the first parliament of a new Labour government Tom Sawyer has explicitly said that such reforms are aimed at removing the problem that has faced Labour governments in the past - a split between the party and government.

Blair intends to push through policies on behalf of British capital against the will of his party, especially its mass base in the trade unions. Further rule changes in the Labour Party aim to deny the unions the very opportunity to challenge the leadership from within party structures. The party will be reduced to a support mechanism for whatever the Blair government is doing. As Sawyer puts it, by October 1997:

"We should be in a nice position to say: 'We've done this work. This is what we need to change in the party to support the government'."[10]

The centrality of eliminating potential opposition to the government by the labour movement is tied to Blair's real programme for a Labour Government. One widely reported quip by an anonymous Labour MP is accurate: "Blair is getting all his betrayals in before the election". Blair's manifesto has been shorn of virtually any firm promises to the party's working class base.[11] Instead, the working class is being warned that Britain will be led by a Labour Party committed to regenerating an ailing British capitalism through a series of attacks on the working class. Blair warned:

"A Labour government will have an explicit target for low inflation, strict rules on public spending... and will reform the Bank of England to ensure that decision making on monetary policy is free from short term political manipulation."[12]

He has also added low taxation as another of his firm targets. Labour is no longer a "tax and spend" party. It is a party of prudent financial management and will be more willing than the Tories to meet the strict monetary and spending targets necessary for Britain to join the single European currency .

All of this gives a clear picture of Blair's anticipated line of attack in office. An immediate target will be the public sector. Workers will face both real pay cuts and reduced service provision from an incoming Labour government coming on top of 18 years of Tory attacks. The last Tory budget of November 1995 left public borrowing at a minimum of £19 billion for the first year of a Blair

7p13 ibid.

8 p 453, Rentoul, op cit.

9 quoted in *Socialist Campaign Group News*, November 1996.

10 ibid.

11 Promises of nursery places for 3 and 4 olds is about all that it unconditionally promised on the "credit card" of five pledges.

12 quoted in *Tribune* 20 September 1996

government, under the 3% of GDP ceiling required by the Maastricht Treaty if Britain is to opt in to the Euro.

But the assumptions behind the Tory budget postulate economic growth (and hence tax receipts) well above most projections and £7 billion worth of revenue from "closing loopholes". It is highly likely that a Labour government committed to Maastricht and one refusing to consider tax increases will be forced to savage public spending in 1997-98 at least by £10 billion. An early return to recession could easily double that figure.

Great expectations

Public sector workers, who have had their pay frozen for three years by the Tories, will face further pay cuts under Labour . The Economist predicted:

"The unions' power is not enough to enable them to dictate to a future Labour government. But neither are they so weak that it will be able to ignore them. And in one area in particular, public sector pay, conflict seems inevitable."[13]

"... an incoming Labour government is not going to tolerate the activities of armchair revolutionaries whose only interest is disruption and who see disputes as an opportunity for mischief making".

This is absolutely correct. Workers will expect an end to low pay under Labour. Labour will attack pay as part of its cuts package, and as a cornerstone of its anti-inflationary measures. Furthermore, Labour's promise to introduce a minimum wage will be diluted by a prolonged consultation process with the employers and, at the end of that process, fixed at a figure that the bosses deem acceptable.

Everybody now knows, after the last TUC Congress, that the overwhelming majority of the labour movement want a minimum wage of £4.26 an hour, even if they are prepared to allow the question to be settled by a "low pay commission". Equally, everybody knows that Blair is not going to grant £4.26. He is quite open about it and has let it be known to the unions that he favours between £3 and £3.50. The labour movement wants the figure fixed within a year of Blair taking office. Blair has declared that this will not happen.

In the event of a public sector pay revolt Blair let it be known, through Stephen Byers' infamous leak at a private dinner with journalists at the TUC congress, that he might use this as a pretext to ballot the party on cutting Labour's links with the unions. Even if he does not decide to adopt so drastic a measure he will utilise and extend the anti-union laws to combat such a threat.

At the 1995 TUC he stated:

"We are not going back to the old battles. I will say now that there is going to be no repeal of all the Tory union laws. That is not what the country or your members want. Ballots before strikes are here to stay. No mass or flying pickets. All the ghosts of time past, they are exorcised. Leave them where they lie."[14]

At the 1996 Congress, his Employment spokesperson, David Blunkett, went further, suggesting binding arbitration in the public sector (banning strikes, in other words) and enforced re-ballots of the membership when the government judges that the bosses have made a "significant" new offer. The aim of such new anti-union measures was clearly explained by Blunkett:

"... an incoming Labour government is not going to tolerate the activities of armchair revolutionaries whose only interest is disruption and who see disputes as an opportunity for mischief making."[15]

This arrogant authoritarianism is not directed just against revolutionaries, armchair or otherwise. It is directed against every public sector worker - every nurse, teacher, local government worker, postal worker or rail worker - who decides that the only way they can get better pay is by going on strike. Every one of them will be attacked by Labour and their unions will be legally punished by the new anti-union laws of a Labour government. The modernisers actually view Thatcher's anti-union laws as one of her greatest achievements. Blair's key adviser, the odious Peter Mandelson, wrote:

"British industrial relations has been changed for the better, and its basic legal framework which the Conservatives established will remain in place."[16]

These laws will be used to combat any action to defend the public services that Labour will be obliged to decimate. Strike action against cuts will be deemed political and banned. Health workers will be corralled by binding arbitration. Alongside this Labour's drive for "excellence" in education will see them continue to hound teachers for the failings of an underfunded system grotesquely judged by league tables which Labour will keep in place. There will be more exclusions of pupils under Labour as it introduces new methods of selection in education - leading to the biggest exclusion of all, the exclusion of the majority of working class children from the opportunity to get a decent education.

As for the young unemployed, they will face shadow chancellor Gordon Brown's proposal of a staggering 40% cut in benefits if they refuse to work for their dole money or income support. They will continue to face the indignity and harassment of the Job Seekers' Allowance. When Michael Meacher - a "left-winger" in the shadow cabinet" - stated that Labour would abolish this modern day poor law, Blair quickly contradicted him and Meacher was forced to apologise publicly. By contrast, Brown's promise to cut child benefit for over 16 year olds provoked no reprimand. Instead Blair merely pledged that this, along with other benefit cuts, would be considered by a Labour government.

The attacks on benefits that Labour are planning will hit working class youth particularly hard. They will face a cash starved education system while they are at school; they will be deprived of benefits when they leave school or will be forced to work for benefit as they get older; they will not get the protection of a decent minimum wage if they are lucky enough to get jobs; should they get into university they will receive no living grant, because Labour is pledged to abolish it, and instead will be forced to repay the costs of their education through a graduate tax .

This is what Blair's "vision of a young country" means for young people. He knows that it will mean a country in which youth crime, born of the increasing desperation that his policies will create, will have to be harshly policed. That is why one of his most oft quoted and definite proposals, prominent in the Road to the Manifesto, and included in his five main pledges, is for a "fast track" procedure for prosecuting young offenders and locking them away.

Taken together with Labour's refusal to repeal the Asylum Act, the Criminal Justice Act and the countless other pieces of authoritarian legislation imposed by the Tories, this promise shows that the incoming Labour government will build its "young country" by repressing the youth, by perpetuating racism and by using a police force and prison system built up to unprecedented levels by the Tories.

Where is Labour going?

Blair is as close to being a Tory as any Labour leader has been. His project is coherent and he has been ruthless in his pursuit of it. This has caused some on the left to conclude that Blair has already fulfilled his project, that he has destroyed Labour as any sort of working class based party. Apart from those incorrigible sectarians who have always said this anyway, Militant Labour has led the way in suggesting that Blair has effected a qualitative transformation of the Labour Party. They write:

"Unfortunately, there are now three capitalist parties in Britain, the Tories, the Liberals, and now Blair's Labour Party."[17]

This view is wrong. It is a one-sided and sectarian over-reaction from a tendency that for decades entertained and retailed gross illusions in the Labour Party, its "socialist past" and its ability to be captured by the "Marxists".

Labour hasn't "become" a capitalist



PUBLIC SECTOR PAY COULD BE ONE OF THE FIRST BATTLEGROUNDS BETWEEN THE UNIONS AND LABOUR

party under Blair. Labour has always been a capitalist party, albeit based on the working class movement. Labourite reformism is an ideology for social change within the boundaries set by capitalism: it is a bourgeois ideology. Within the reformist camp there have always been right wingers who want to cut loose from the working class. Certainly Blair is more than just a modern incarnation of such right wingers, because he wants to carry through a divorce between Labour and the organised working class.

But he has not yet carried this project to a conclusion. After the election he will face enormous difficulties in doing so. Blair will be up against powerful forces within the labour movement itself, forces who have held back from a conflict to date precisely because they want Blair to lead Labour out of the wilderness of endless opposition in parliament. But once he has achieved that, these forces will bring pressure to bear on him to curtail his project.

The 1996 TUC Congress demonstrated this clearly. Even Blair supporters, like John Edmonds of the GMB and John Monks, leader of the TUC, were provoked and pressured into criticising him. His closest allies, like Alan Johnson in the CWU, rebuked him for intervening on the side of the employers in the postal dispute. And the left-wing of the union bureaucracy were considerably sharper in their comments than the left MPs dared to be.

Labour's attacks on the unions prompted the Congress to vote for £4.26 an hour and submit a charter of rights at work that goes well beyond Labour's measly promises. These were not just empty resolutions. They were real signs of frustration by a very powerful faction within the Labour Party, the trade union bureaucracy. They were a warning to Blair that the unions remain unions and as such are only able to tolerate so much.

On the union link a left wing inspired petition to keep the link secured the signatures of many within the union bureaucracy, including John Edmonds of the general union GMB, who has otherwise been a firm supporter of Blair. Only the hard right in the engineering union argued in favour of giving it up. The TGWU leader, Bill Morris, made the position of his union quite clear:

". . . the voice at Labour's table that speaks up for the core of the party's constituency is that of the trade unions. I cannot believe that any socialist party would want the representatives of those people who need socialism most to be shut out of its counsels."[18]

Breaking the union link

The present and proposed national organisational reforms are not enough on their own. The trade unions remain involved at every level of the party, particularly in the constituency parties and on their general management committees. A thoroughgoing removal of the unions from the party would meet with strong resistance at every level.

In effect the unions are saying to Blair that once he is in power they will be more prepared to rock the boat. He will not be able to carry through his project without a very serious fight. And in that fight the bureaucracy will have very powerful allies within the non- "modernising" faction in the Parliamentary Party - Prescott, Beckett, Cook, Meacher, possibly Clare Short. Blair will face much more serious opposition than he has had so far.

Of course, both the union bureaucrats and the Prescott wing of the party are implicated in Blair's project through their toleration of it to date. They cannot be relied upon to stop Blair breaking the link with the unions or turning Labour into a capitalist party pure and simple like the Democrats in the USA . But they will be the ones in the leadership of the movement who will be feeling the pressure of the working class most, and that pressure will be exercised to keep the link, to meet working class demands and even to fight Blair.

This pressure will be exerted very quickly, more likely in the first, rather than the third year of a Blair government. It will manifest itself in mass strikes over public sector pay, over rights at work, over the defence of the welfare state, over the defence and improvement of benefits. Workers and youth will not sit back and take Blair's authoritarian and pro-capitalist medicine. They will fight and fight hard.

The unions themselves are in a better position to spearhead such a fight than they have been for a long time. Their ability to beat Blair should not be underestimated. Contrary to the muddled schema of Militant Labour, they haven't yet been beaten - that is, driven out of the party.

The long depression in industrial action that followed the defeat of the miners in 1985 is over. This has not yet translated into a revolt of 1970s proportions, but it has translated into a greater sense of self-confidence within the unions, including amongst the bureaucracy. Talk of "new unionism" has replaced the 1980s and early 1990s talk of "new realism".

"New unionism" TUC style still includes the idea of ensuring that unions are efficient service organisations and that strikes are kept to a minimum. But for all their commitment to the ideas that underlay "service unionism" and "new realism", the union bureaucrats know full well that they recruit and retain members by protecting pay and conditions. A recent survey confirmed this scientifically. 81.5% of new union members questioned in the survey cited as their main reason for joining the

"British industrial relations has been changed for the better, and its basic legal framework which the Conservatives established will remain in place"
Blair

13 The Economist, 7 September 1996

14 quoted in International Socialism, Winter 1995

15 David Blunkett writing in the (Tory) London Evening Standard, 10 September 1996

16 pp 12-13, The Blair Revolution by Peter Mandelson and Roger Liddle, London 1996

17 p14, Socialism Today, October 1996

18 Bill Morris writing in the New Statesman, 20 September 1996



LABOURISM: SAFE IN PRESCOTT'S HANDS?

union "support if I have a problem at work". All the years of "new realism" have failed to erase this as the primary purpose of the unions.

The post dispute - led by one of Blair's closest union allies, Alan Johnson - proved this. The union leadership were forced to act. Their subjective desire for a sell out was curbed by the membership's pressure on the issue of teamworking. The result has been the recruitment of several thousand new members. All of the major unions have established recruitment campaigns and have allocated full time officials to this task.

The TUC is calling for a charter of workers' rights far more extensive than Labour is offering. This is a sign that they are planning to use the onset of a Labour government to reverse their decline in membership (from around 50% in 1979 to 32.1% in terms of density in 1995, with a total membership of 7,275,000) and push for a greater role in industry. They are already enjoying small increases of membership and a 50% increase in union recognition deals in 1995 as compared to 1994.

The new confidence in the unions is further evidenced by a revival in strike figures. Last June witnessed the highest number of days lost through strike action since March 1990 (228,000 days lost in 40 disputes). The Liverpool dockers, now entering the second year of their dispute, were not counted in these figures because they had been dismissed. Furthermore, despite the wait for Labour mood prevalent at union conferences, disputes continued to break out (in the post, on the rail and in the private sector - for example at Magnet and Southern in Darlington where 400 workers who struck for higher pay were dismissed). While many of the disputes have been hard fought local struggles (the Liverpool dockers, Hillingdon, Derbyshire fire fighters, Magnet and Southern), the post and rail action were national or near national struggles and the Liverpool dockers' struggle has had a national resonance.

The very question of the political independence of the working class will be posed against a background of mass class struggle against a Labour government.

Despite the strategy of waiting for Labour, sections of the union bureaucracy are under pressure from their members to act now and are obliged to respond to that pressure. They are prepared to countenance action for the same reason that Blair is conducting so many sallies against the unions - both are preparing the ground for the aftermath of the election, when the waiting will be over. The bureaucracy believe that while Blair is the man to win the election he must be shown that the unions' demands for the minimum wage and new union rights can be backed up by action.

The bulk of the bureaucracy are not prepared to make that pressure unbearable for Blair. That is why they accepted the setting up of a low pay commission on the minimum wage and rejected miners' leader Arthur Scargill's call for the repeal and defiance of the anti-union laws. Nevertheless, they are issuing warnings to a future Labour government.

They are under rank and file pressure and the fact that they are obliged to respond to it is a pointer to future struggles.

Those struggles, though led by the unions, will draw the entire working class into conflict with Blair. Of course, we do not deny that the outcome of such conflicts could be the triumph of Blair and the fulfilment of his project. But such a triumph will not be easy. He will discover very quickly that the "ghosts of time past" - the mass and flying pickets, the working class on the march, divisions in his party that he thought his idol Thatcher had exorcised - will return to haunt him.

The next Labour government could well settle the fate of the Labour Party. Blair could successfully uproot Labour from the unions and turn it into an open bosses' party, like the Liberals and Tories, expressing the political outlook of a distinct faction of the ruling class. A decisive resolution of the "Europe" question inside the ruling class in favour of federalism could possibly lead this section of the bourgeoisie to take and mould a Blairite Labour Party in its image.

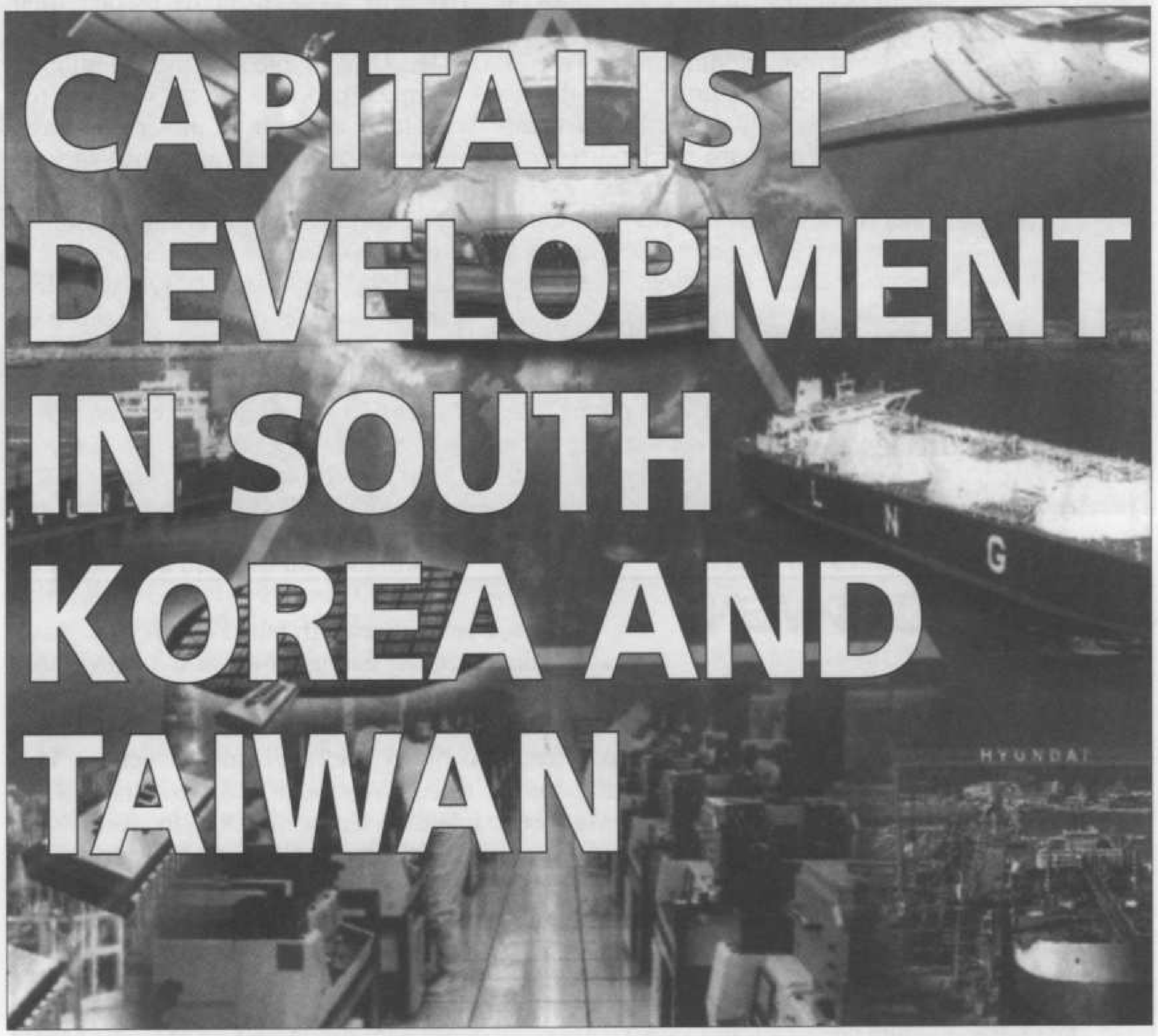
Alternatively Blair could be forced to compromise by pressure from below and indifference from the bosses. He could achieve a massive further reduction in the union bureaucracy's formal voting powers , increase the proportion of non-union funding and raise further the numbers of individual members. This could be done without destroying the organic connections with the trade unions at local level on whom Labour's electoral machine presently depends. Blair would then have created a party very different rom the traditional model of Labour, but one that nevertheless remained a bourgeois workers' party, albeit on the model of the modern European social-democratic parties.

There is of course a third scenario. The Labour party could split. Any attempt by Blair to break the parliamentary and electoral apparatus of the party from its strongest and most consistent base of support in society and to effect a rupture with a hundred years of the party's history would certainly provoke massive resistance - as the groundswell of opposition after the 1996 TUC shows only too clearly. Should this opposition arise at the same time as a significant working class upsurge against a Blair-led government then there is a possibility that Blair could be defeated. Depending on the size of his majority and the extent of opposition in the parliamentary party, this could leave Blair with no other option than to follow his predecessor Ramsey Macdonald along the path of split and towards the formation of a coalition with the Liberals and possibly even the pro-European wing of the Tories.

Whatever the outcome, the following years will be ones of great upheaval in the British labour movement. The very question of the political independence of the working class will be posed against a background of mass class struggle against a Labour government. This situation is pregnant with opportunity for revolutionary socialists. The possibility of hundreds of thousands of the most advanced workers being separated from Labour, and the rise of a new generation of class fighters forged in struggle against Blair, poses a real chance to build the very thing that has been lacking in Britain throughout the post-war years: a strong revolutionary alternative to every shade of reformism, with deep roots in the labour and trade union movement.■

The "Tiger Economies" of Asia are presented as proof of capitalism's ability to develop the Third World. After the collapse of the Soviet Union, their high growth rates have been called the "second shock for Marxism". **Michael Pröbsting*** examines the unique circumstances which allowed rapid growth in South Korea and Taiwan, and explains the limits of this model of development.

CAPITALIST DEVELOPMENT IN SOUTH KOREA AND TAIWAN



THE ECONOMIC development of Taiwan and South Korea since the end of the Second World War can only be understood as the result of a completely unique combination of factors. These include their historic relationship to Japanese imperialism, their internal social structure and their subsequent roles during the Cold War. Although individually comparable features are to be found elsewhere in the world, it was their particular combination and sequencing which underpinned the high growth rates of the last four decades.

However, if it was the Cold War which created the conditions for sustained growth then the collapse of the Soviet Union raises a major question about the future prospects of the Tigers.[1] Has their growth been enough to enable them to survive in the increasingly competitive world market? The signs are that the belief that the answer to this is yes will prove as illusory as the idea that the rest of the Third World could simply emulate them.

Two factors were crucial for the rapid industrialisation of South Korea and Taiwan: the legacy of Japanese colonialism and the land reform at the end of the 1940s and the beginning of the 1950s.

Early this century, South Korea and Taiwan were both colonies of Japan. Just as the search for profit has forced capital to increase the size of the proletariat, to educate and train it, so too imperialism, in some circumstances is obliged to unevenly develop the economies of its colonies and semi-colonies.

The extremely brutal subordination of these two countries by Japanese colonialism had a decisive impact on their social and economic structures. In keeping with the policy of "agricultural Taiwan, industrial Japan" they were shaped entirely according to Japan's needs. Initially, this meant concentrating on restructuring the two colonies into efficient sources of agricultural produce. Thus, 95% of Taiwan's sugar production and 52% of Korea's rice went to Japan.[2] Economic integration reached such a high intensity that between 1911 and 1940, 85% of Taiwan's exports went to Japan and 74% of imports came from there.[3]

This policy forced many peasants to move into production for the market. The consequences for the peasants were often dire. Many slid into dependence on leaseholdings and many others had to look for work in the towns. The consumption of rice between 1912 and 1936 was halved. The methods were certainly brutal but succeeded in integrating agriculture into the capitalist market.

Rule by the Japanese resulted in a massive weakening of the indigenous rural aristocracy, because the Japanese appropriated a large part of the land to themselves. In Korea, for example, in 1942, they possessed 80% of the forests and 25% of cultivated land.[4] Also, to fulfil the aim of increasing agricultural productivity extensive investment in the rural infrastructure was necessary. This explains how, at the beginning of the 1950s, 33% of all households in Taiwan already had electricity.[5]

The concentrated war effort in the 1930s led to a second phase, the building of industry in Korea and Taiwan, primarily in food processing, oil refining, machinery and shipbuilding. By the outbreak of war, industry was already providing 18% of Taiwan's GDP and 43% of Korea's. Here, Japanese capital was even more dominant than in agriculture. In 1938, domestically owned capital accounted for a mere 11% of total industrial capital, and by 1943 this had sunk to just 3%. A few Japanese plants, 1.2% of all factories, produced 60% of all industrial output.[6]

The result of all this was that, after 1945, South Korea and Taiwan found themselves with a productive agricultural system and a relatively developed industry which belonged to no one after the flight of the Japanese and so could be easily taken over by the state bureaucracy. In addition, industrialisation created a reasonably well trained labour force. Taiwan, for example, already had a relatively high literacy rate of 60% in the 1950s.[7]

The second precondition for the rapid industrialisation of South Korea and Taiwan was the land reform which took place in both states at the end of the 1940s and the beginning of the 1950s. In the semi colonies land reforms which give the greater part of the land to at least a section of the peasantry are rare.

Normally, the traditional landlords form an alliance with the rising bourgeoisie and imperialism to retain the ownership of land in a few hands. This led, and leads, to the impoverishment of the peasantry, inadequate usage of cultivable land and, consequently, low agricultural productivity. In turn, this results in the minimal development of the domestic market and a consequent

*The original article, *Der Kapitalistische Aufholsprozesses in Sudkorea und Taiwan: Bilanz und Analyse*, appeared in **Revolutionarer Marxismus**. It has been shortened for this edited version. The complete English translation, can be obtained from the LRCI for £1.00.

dependence on trade with the imperialist countries.

In South Korea and Taiwan after the Second World War a number of exceptional circumstances prevailed and land reform followed a different pattern. An important part of the landlord class simply disappeared because of the collapse of Japanese colonial rule. At the same time, the revolutionary wave of workers' and peasants' struggles in Korea and the civil war in Taiwan created massive pressure for land reform. This pressure was increased by US imperialism which saw the solution of the explosive agrarian question as a means of combating the "communist threat".

The agrarian reform carried out between 1949 and 1953 had far reaching consequences. It created a broad peasant class which became a stable political base for the bourgeois bonapartist regime. In Taiwan, the proportion of landowners in the rural population grew from 38% (1952) to 67% (1965).[8]

It had a similar significance in South Korea. The leasing system was dissolved by law in 1949. The big landowners, however, were not expropriated; rather, they were given bonds with which to obtain shares in industrial undertakings. Some 40% of the land was redistributed in this way. By 1974, 70% of all households owned their land.[9]

The USA, while backing the military regimes in both countries, promoted capitalist agriculture in various ways. They poured huge funds into agriculture. According to Hamilton, 59% of net agrarian capital accumulation in Taiwan was financed by US money.[10] In addition, from the 1950s the USA forced the "four tigers" to diversify away from agriculture towards manufacturing exports while simultaneously importing American agricultural produce through the so-called PL 480 programme. The systematic import of US rice undermined South Korean production and the self-sufficiency rate in rice production went down from 93%(1962) to 69% (1973).[11] South Korea became the third biggest importer of US produce.[12]

However, bourgeois land reform had decisive consequences for the development of capitalism. Taiwan experienced a massive increase in agricultural labour productivity which grew at an annual rate of 3.7% between 1955 and 1964.[13] Agricultural production doubled in Taiwan between 1951 and 1963. The resulting capital accumulation in the agrarian sector led to a high savings rate which was then channelled into the industrial sector.

Land reform also had another very important effect. In many semi-colonial countries, in which no substantial land reform has taken place, traditional social relations tie down a great deal of labour power. By contrast, in South Korea and Taiwan, the changes in property relations, together with increased productivity and the re-orientation away from rice cultivation, created a reserve army of labour which could be exploited on low wages in industry and the service sector. In this way a further essential precondition for the dynamic development of East Asian capital was created: a supply of human capital, labour power as a commodity.

The pro-capitalist land reform proved to be advantageous for the bourgeoisie because it ameliorated the explosive conflicts in the countryside, created a broad petit bourgeois and conservative peasant class, freed up an industrial reserve army and stimulated investment. All of these developments were beneficial for capitalist development.

Exploitation of the working class

Although the capitalist boom in Taiwan and South Korea resulted from the unique combination of several factors for Marxists one of them is pre-eminent: the exploitation of the working class. The decades long exploitation of a continually growing proletariat must be recognised as the motor of the capitalist economic miracle. Even bourgeois economists accept this. In a study for the World Bank, the neo-liberal economist, Ranis, wrote:

"Korea, just like Taiwan, could count on cheap unskilled but hardworking and educated workforces, an important component of any competitive, export-oriented development dynamic."[14]

Another World bank economist pointed, in diplomatic terms, to the connection between the bonapartist dictatorship and the exploitation of the working class:

"The governments of these countries generally take a less accommodating stand against the demands of organised workers for a minimum wage than governments in other developing countries"[15]

The foundations of the decades of exploitation were laid in the bloody counter-revolutions at the end of the

THE DEVELOPMENT DEBATE

IN BOTH bourgeois and left literature the question has been discussed: how successful have the bourgeoisie been in their efforts to achieve independent and powerful positions in the world market. The overwhelming majority of bourgeois economists share an over optimistic and uncritical view of capitalist successes in South Korea and Taiwan. These are summed up in the title of the World Bank's 1993 study, "The East Asian Miracle".

Such views are rooted in the political and ideological need of the bourgeoisie to present the two countries as models of successful modernisation which other semi-colonies should copy. The only disagreement within the World Bank is over the role of state regulation. While the neo-liberals reject any role for the state in economic development, the Japanese economists have a positive attitude to a degree of state intervention.

In the 1980s, the "new growth theory" school (Romer, Grossman/Helpman, Amsden, Nolan) in contrast to the neo-liberals, also gave a positive role to state regulation. In this they emphasised the importance of domestic capital accumulation. This school believes that, in the "East Asiatic Model", it has found a globally applicable alternative to the neo-liberal model of the world-market oriented free market economy.[43]

There is no doubt that the "new growth" theorists have a far better understanding of the East Asian "catching up process" than the blinkered neo-liberal ideologues. Nonetheless, there is one essential point that they do not understand; the entirely exceptional character of the process in the Newly Industrialised Countries (NICs).

As we have shown, a combination of particular factors made possible the long capitalist boom. There is no room here to give a detailed analysis of the developments in other South East Asian countries and their origins.

However, any examination would show that they were not successful in achieving a relatively independent position in the world market. On the contrary, they are heavily dependent on foreign direct investment and are restricted to labour intensive sectors or components for the computer and electronic sectors. Apart from that, they are mostly heavily indebted abroad and are much more dependent than South Korea and Taiwan on speculative portfolio investment.

The main weakness of the left and the dependency theorists is that they deny that there has been a relatively successful catching up process in the NICs. The "regulation school" of Fröbel, Wallerstein and company, characterise the NICs, without exception, as extended production lines for the imperialist centres.

The French centrist group, Lutte Ouvriere, maintains that, "the NICs have developed scarcely any heavy industry", that the technological gulf between the NICs and the imperialist states is growing, that the NICs make little investment in R&D and so on.[44]

They characterise them exclusively as puppets, completely dependent on imperialism whose explosive growth rates do not represent any real industrialisation or strengthening in the world market. This interpretation, motivated by an understandable hostility to imperialism, is wrong.

Worse, it is incapable of giving the revolutionary vanguard an understanding of the concrete development of capitalism and cannot develop a revolutionary strategy and tactics that correspond to the balance of power between the classes.

Those who underestimate the strength of the enemy, in this case the Korean and Taiwanese bourgeoisie, cannot give the working class an adequate political weapon for the struggle. Ultimately, such a petit bourgeois analysis discredits Marxist political economy and makes it an easy target for bourgeois economists.■



1940s through which the ruling classes of South Korea and Taiwan consolidated their rule. While in South Korea dual power existed (soviet-type bodies, militant general strikes) Taiwan was marked by the confusion of the Chinese civil war and the hostility of many Taiwanese to the invading army of Chiang Kai-shek's Guomindang (GMD).

With US backing, the South Korean bourgeoisie launched a military offensive against the radicalised trade union movement and inflicted a historic defeat on the working class. From then until the middle of the 1980s it was impossible for the Korean working class to create trade unions independent of the state, to say nothing of strike activity in defence of basic rights. The founder and boss of the Samsung "chaebol", gave a typically forthright capitalist view when he said:

" I would rather lie under the earth than see a trade union tolerated in Samsung."[16]

Happily, this wish was soon granted him.

In 1948, the establishment of the GMD regime in Taiwan was accompanied by a bloody massacre in which 30,000 people died. From the beginning, every independent movement of the working class was crushed before it could grow. An independent trade union movement did not develop until the end of the 1980s.

Not much imagination is needed to picture what all this meant in terms of working conditions, wages, working hours and so on. For example, in the early 1980s, the South Korean industrial workers had a 54 hour week, one of the longest in the world.[17] They also worked in unbelievably bad conditions. In 1990, 2,336 people died in accidents at work and 132,893 were seriously injured.[18]

These conditions help explain the enormous gulf between the rises in agricultural productivity and those in wages. Between 1957 and 1972, in Taiwan, productivity grew 25-fold, wages only by a factor of nine. The corresponding figures for South Korea were 8.5 for productivity and 2.5 for wages.[19] Elsewhere Ranis shows that industrial wages grew only slightly faster than agricultural wages.[20] In contrast industrial productivity grew much faster than in agriculture. The huge difference between productivity growth and the growth of wages points to the high rate of surplus value which was the real driving force of the process of capital accumulation.

The consequence of all these factors was that the concerted policy of land reform and industrialisation led directly to a dramatic growth of the working class. This increase in labour power allowed wages to be held down and, therefore, the uninterrupted rise in the production of surplus value and, with that, capital accumulation.

The basis of the economic miracles of these countries, then, was the decades long atomisation of the working classes. Of course the proletariat has been subjected to such conditions in other countries too, such as in Latin America, but not for an unbroken period stretching over four decades. While this specifically intensive exploitation of the working class is not enough to explain the whole of the economic boom it is the heart of the explanation.

Backing from Uncle Sam

The intensity and scale of the oppression of the workers cannot be understood without taking into account the support of US imperialism. The outbreak of the Cold War turned South Korea and Taiwan into front line bastions against the degenerate workers' states of China and North Korea. Because of this the USA supported them on a scale far greater than any other state, with the exception of Israel.

In the early 1980s, the South Korean industrial workers had a 54 hour week, one of the longest in the world. In 1990, 2,336 people died in accidents at work and 132,893 were seriously injured.

Between 1945 and 1978, the USA handed over economic aid worth US$ 6,000 million to South Korea, that is the equivalent of all aid to the whole of Africa in the same period! In the 1950s, 80% of all South Korea's imports were financed with US help.[21] In the same way, the NIC's were granted privileged access to the US domestic market, the biggest in the world. In the 1950s and early 1960s, US aid provided half the budgetary income of South Korea.

This had a direct influence on the process of capital accumulation. Between 1951 and 1965, the USA financed 34% of Taiwan's gross investment and 59% of net agricultural capital accumulation.[22] By the mid 1960s, more than half of South Korea's capital formation came from American sources![23] Added to that there was massive military financial help. Taiwan received US$1.5 billion in this form between 1961 and 1965. One economist concluded that, through US aid, Taiwan's growth rate was doubled, its gross national product per capita was quadrupled and the time needed to reach the living standards of 1964 was reduced by some 30 years.[24]

The USA did not only give financial help. It was also deeply involved in political and economic decision making. The land reform was an important example of this. Other strategically important decisions influenced by the US included the transfer of production away from low value-added products to petrochemicals, specialist machinery and computers.[25]

In Taiwan special commissions were established in which important decisions were jointly worked out. US involvement was far from altruistic.

When necessary, Washington was prepared to blackmail the government. In 1960 it threatened to withdraw every form of support from Taiwan unless it accepted a 19 point programme which would liberalise markets, commerce, currency exchange, denationalisation and tax policy.[26]

While the national bourgeoisie of these countries have their own specific interests, which from time to time conflict with those of their imperialist

Because of the special importance of these countries to US imperialism it accepted, even encouraged, a greater strengthening and self-reliance on the part of their bourgeoisies.

guardian, these were downplayed throughout the Cold War. In this way, the USA furthered its primary political-military interests at the same time as South Korea and Taiwan enjoyed accelerated economic growth. Because of the special importance of these countries to US imperialism it accepted, even encouraged, a greater strengthening and self-reliance on the part of these bourgeoisies.

So long as the Cold War determined the world situation, the NICs and the USA were bound together in a political-strategic alliance. Naturally, the USA did not overlook its own economic interests, as the enforced import of American agricultural produce showed, but this was not the primary motive, as can be seen from the relatively low level of imperialist foreign investment in South Korea and Taiwan.

This long term, strategic support by US imperialism distinguishes South Korea and Taiwan from practically all other semi-colonial countries. There are other strong links with semi-colonial regimes, for example in Latin America, but these never required the same scale of support over such a long time. Israel is an exception to this, but the sharp political-military conflict in the Middle East prevented the Zionist bourgeoisie from integrating itself into the regional markets on anything like the same scale as was possible for Taiwan and South Korea.

The state and monopoly capitalism

South Korea and Taiwan are relatively developed examples of the characteristic form of capitalism in the imperialist epoch, state monopoly capitalism. In general, the role of the state in these countries has been substantial in both the political and economic spheres.

The first and central task of the state was the transformation of agrarian and commercial capital into industrial and then finance capital. Before 1945, Korean and Taiwanese capital was limited to agriculture and commerce. After the defeat of Japan industry was largely taken over by the state in both Taiwan and Korea.

In the former, the state took primary responsibility for further development while in Korea it was gradually handed over to private hands after the division of the country in the Korean War. The state-organised land reforms obliged capital to orient investment more towards industry and, finally, the state also channelled US aid towards capital accumulation. On the whole, because of the lower concentration of capital in Taiwan, the state played a more important role there than in South Korea.

In both countries the state played a leading role in the process of the concentration of capital into massive monopolies, for example, the so-called *chaebols* in South Korea. In Taiwan state capital played a dominant role in industry, accounting for 55% of total industrial production in the early 1950s, but even then the GMD regime transferred four big concerns to private hands.

Private capital was similarly encouraged in South Korea. According to one study, most of today's 50 biggest industrial groups were established in the period 1945-61.[27] Such conglomerates dominate the national economy, especially in South Korea. The 10 biggest *chaebols* account for 65% of GNP and the 10 biggest exporters for 70% of all exports.[28]

State capitalist property played a bigger role in Taiwan than in South Korea. After the expulsion of the Japanese, Taiwan put many of the abandoned enterprises under state control. As a result, 90% of business capital fell into state hands. In the years 1952-61, 51.3% of industrial production came from state owned firms.

However, in subsequent decades systematic privatisation has reversed the position and between 1982-87 private production was responsible for 83.8% of the total. In South Korea, by contrast, private capitalist ownership took the lead from the beginning (86-88%) and remained constant at this level throughout the 1960s and 1970s.[29]

The importance of state capitalist economic policy can also be seen in investment. For example, between 1962 and 1973, an average of 30% of investment in South Korea was in the public sector. In Taiwan, the regime initiated a series of major projects in the 1970s which acted as a driving force throughout the economy.

Banking is perhaps the most important sector of state monopoly capitalism. After the military coup of 1961 in South Korea, the banks were nationalised. In 1970, 95% of all financial institutions were under state control. In Taiwan, the state owns practically all the banks.

As a result, the state was able to channel cheap credit to industry, thereby stimulating capital accumulation. Various economists believe that the building of the Korean export-oriented finished goods industry in the 1960s and the heavy and chemical industries in the 1970s was only possible on the basis of state credits. The dramatic growth in capital stock was also essentially financed from this credit. At least 50% of all internal credit in the 1970s came from the state and the figure was still running at 30% in the 1980s.[30]

This represented a huge redistribution of wealth from the peasants and workers to the big capitalists. Because of the general lack of state welfare and health systems the workers and peasants were forced to insure privately. In addition, there were various mechanisms which made it difficult for the small saver to retrieve their money from the banks.

Because of the extremely low rates of interest on savings accounts and the high rates of inflation, savers actually lost money. In South Korea real interest rates were -5.3% (1962-66) -5.7% (1967-71), -6.2% (1972-76) and -3.5% (1977-79).[31]

Bourgeois economists, instructively, call this "financial repression" and it was a central component of state credit policy because it enabled the banks to



KOREAN FARMERS PROTEST AGAINST GATT

lend to employers at favourable interest rates. Here, too, interest rates were negative, employers paid back less than the credit they initially took out!

The state played a functional role for capitalism in several ways. One was through institutionalised co-ordination between the state bureaucracy and big capital. This has been positively emphasised even by the neo-liberals of the World Bank:

"Japan, Korea, Malaysia and Singapore established forums, the so-called Advisory Bodies, to put groups from the private sector in a position where they could influence formulation and implementation of government policy in their interests."[32]

The state provided further assistance by overseeing the creation of the institutions of indicative economic planning. In the South Korean Economic Planning Board (EPB) representatives of the state and big capital met on a monthly basis. All important national and international economic data were evaluated and strategies for capital were worked out.

The EPB played a central role in the development of strategies such as export-oriented industrialisation in the 1960s, the creation of heavy and chemical industries in the 1970s and the development of the high technology electronic and car industries at the end of that decade.

Similarly, South Korea pursued a tariff policy aimed at capital accumulation. Duties on imported capital goods were low while those for goods which competed with domestic production, such as textiles, chemicals, heavy industry were high. The special support given by imperialism meant that this had far fewer negative consequences than in other semi-colonies.

Research and Development (R&D) has been of central importance in both Taiwan and South Korea. They rank amongst the countries with the highest proportion of GNP devoted to R&D. This began with concerted efforts in the 1970s.

In 1975, South Korea's R&D effort represented 0.5% of GNP compared to Chile and Colombia's 0.1% each. By 1986, the proportion had reached 1.8% (Chile and Thailand 0.5%, Colombia 0.1%) and by the beginning of the 1990s both South Korea and Taiwan had reached 2.5%. The difference becomes particularly clear if spending in the production sector is considered. Here the proportion in South Korea in 1986 was 1.4% GNP, while in Thailand, Chile and Colombia, the proportion was precisely zero.[33]

An important part of R&D spending comes from the state. In Taiwan, approximately 60% of industrial R&D was privately financed, the other 40% coming from the state.

Long term, high rate growth

The historic defeat of the working class, the sustained support from imperialism and state directed economic strategy made possible a dynamic accumulation of capital. In South Korea, in the 1960s, capital stock grew by 15.2% per year and in the 1970s it reached 24.7%. This rapid, and long term, capital accumulation was an essential factor in the rise of South Korea and Taiwan from backward semi-colonies to being among the world's most important exporters of goods and, recently, even of capital, especially in the case of South Korea.

The future prospects for South Korea and Taiwan depend on whether they have accumulated enough reserves and strength to be able to withstand the instability of the "new world disorder".

The Japanese economist, Kawai, showed in a comparative study that the rate of accumulation of private domestic gross capital formation in South Korea between 1970 and 1980 averaged 27.2% per year and 12.8% between 1980 and 1990. In Taiwan, the averages were 18.9% (1970-80) and 12.1% (1980-90). This compares to Latin America where scarcely one of the seven countries studied had a rate above 5%.[34]

To what extent was this rapid capital accumulation dependent on foreign imperialism? As we have already shown the massive and brutal exploitation of the working class allowed an extraordinary rate of surplus value extraction and consequently, accumulation. Nonetheless, imperialist support did play an important role on the economic level as well as the political. This was, in the first place, financial support which was used for capital formation.

Because of the specific political-military interests of imperialism in South Korea and Taiwan, this support for capital accumulation took an indirect form, one whose primary objective was the economic and political stability of the countries rather than direct pursuit of profit. As a result, foreign direct investment (FDI) was of less importance than in other semi-colonies closely tied to imperialism and was low in comparison to other forms of finance. In South Korea FDI accounted for just 1.2% of domestic gross capital formation between 1962 and 1979 while foreign loans were responsible for 18.9%. In total, FDI represented only 10% of total foreign capital, foreign loans made up the rest. [35]

In his comparative study, Kawai pointed out that foreign capital as a whole was of relatively little importance in the total capital formation. Thus, the proportion of FDI in total private investment in South Korea was only 1.4% (1970-80) and 0.4% (1980-90). In Taiwan, the significance was similarly slight, but showed an increase in recent years (2.7%, 1980-90).

Naturally, this does not mean that FDI was not important. The South Korean regime (from 1970) and the Taiwanese (from 1965) strove to attract foreign capital into the Export Processing Zones or, later, Export Industrial Estates. By the middle of the 1970s, foreign firms were playing a central role in the exports of both countries: 31.4% of all South Korea's exports (1974) and 30% of Taiwan's (1975) were produced by foreign firms. At the same time, the relative strength of South Korean capital can be seen from the fact that four years later this figure had shrunk back to 18.3%.[36]

The importance of these figures is that they show that FDI did not play an unusually big role in the rapid capital accumulation in South Korea and Taiwan and that it did not limit the development of relatively strong and independent bourgeoisies in the two countries.

Bonapartist forms of rule

The link between the political oppression of the working class and the state capitalist economic policy is the bonapartist regime that is characteristic of practically all the semi-colonial countries of South East Asia. Whether formally a civilian or military regime bonapartism implies a high degree of executive or presidential power at the expense of the elected parliaments, where such parliaments exist.

The fact that both South Korea and Taiwan were front-line states in the Cold War ensured that the state bureaucracies of these countries could give massive nourishment to their national capitalist class through extensive protectionist measures and yet still count on unconditional military backing and economic assistance from the USA.

As a result the semi-colonial bourgeoisie, whose own class basis was relatively weak, gained a greater degree of stability than others which had to base themselves either on a section of the petty bourgeoisie or even on sections of the working class, or else had to subordinate themselves completely to the imperialists and, consequently, lost all freedom to manoeuvre

There were also quite specific initial conditions which strengthened the high degree of state capitalism in Korean capitalism and, to a lesser extent also Taiwanese. Because of the intensity of the class conflict and the war, the state bureaucracy gained central importance for the survival of capitalism. These factors led to a close, almost symbiotic, relationship between the bureaucracy and the bourgeoisie. Many officers became managers and capitalists. These close bonds between capital and the bureaucracy, especially the army, have been maintained.

In Taiwan, the Guomindang ruled without interruption after 1945. In South Korea, there were, it is true, two changes of government as a result of coups, in 1960/61 and 1979/80. However, the end of the dictatorship and the transition to bourgeois democracy as a result of the mass movement of students and workers in 1987 itself points to the relative stability of capitalist rule, since the changeover was carried through without any serious splits within the ruling class.

Results and prospects

By the 1980s, successful capitalist industrialisation had allowed South Korea and Taiwan to make progress in advanced economic sectors and to get away from their status as exporters of cheap textiles. Both have become globally important producers and exporters in the electronic and computer sectors and, in the case of South Korea, even in shipbuilding and cars.

The future prospects for South Korea and Taiwan depend on whether they have, in the last period, accumulated enough reserves and strength within the world economy to be able to withstand the much greater instability of the "new world disorder". For Marxists, therefore, the question of whether they can continue to develop is tantamount to asking whether they have themselves become imperialist powers.

Such a transition is not impossible.[37] Whether a state can be characterised as imperialist is not simply a matter of economic statistics but a question of relationships with other existing capitalist states. Nor does the characterisation automatically imply overwhelming military or economic power. There are many "minor imperialisms", such as Austria or Sweden, which cannot begin to match the USA.

However, in considering South Korea and Taiwan, even in comparison to these subordinate imperialisms, it must not be forgotten that Austria and Sweden did not have to carve out their position in a world already dominated by imperialism. They were, from the beginning, a part of the developing system of world wide exploitation from which their own economies benefited.

In assessing the contemporary character of South Korea and Taiwan, three aspects will be of particular importance: the creation of relatively autonomous monopolies; the fusion of banking and industrial capital into a nationally dominant finance capital; and the increasing importance of the export of capital, particularly with respect to the ability to dominate other countries or regions by such export.

In 1992, South Korea became a net capital exporter. However, the relative weight of Korean capital exports is not great in comparison to the whole economy

In the 1970s and early 1980s a South Korean monopoly capital was created that today exercises absolute hegemony within the national economy and a decisive influence over the politics of the bourgeois regime. Whereas the production of the ten biggest *chaebols* accounted for only 15.1% of GNP in 1974, by 1983 their share was already 65.2%.

Both the neo-liberals and the "new growth" theorists are agreed that capital accumulation in Taiwan is noticeably less. This economy is more strongly marked by small and medium enterprises. This can be seen in an analysis of the internationally active concerns from the two countries. Of the ten biggest multinational corporations, measured by foreign assets, whose origins lie in the Third World, four come from South Korea, whereas the biggest from Taiwan comes in at number 14.[38]

Capital exports are more important for Marxists than simple GDP growth rates because such exports show the relative strength and independence of any given capital. Both South Korea and Taiwan have only recently become significant exporters of capital. Up to the mid-1980s commodity exports were clearly dominant, corresponding to the classic picture of the semi-colony. But since then capital export began to increase.

In 1992, South Korea became a net capital exporter. However, the relative weight of Korean capital exports is not great in comparison to the whole economy: between 1990 and 1994 Korean FDI reached a value of 2% of GNP. In Taiwan, the same proportion, at 7.8%, was higher. All the same, the proportion of foreign owned investment to GNP in Taiwan also exceeded the South Korean value (Taiwan: 5.6%, South Korea: 3.3%).

The importance of capital exports was, therefore, less than in the USA (1990-94: 9.1% FDI/GNP) but was greater than in weak imperialist countries such as Austria (in 1990 1.05% but in 1993 only 0.77%). In 1993, the total value of South Korean FDI was over US$1,000 million, that of Taiwan was US$2,400 millions, Japan US$13,700 millions and that of Austria US$1,600 millions.[39]

However, a more detailed inspection is necessary in the analysis of capital exports from South Korea and Taiwan. It is common in East and South East Asia for multinational concerns, above all from Japan and the USA, to establish production facilities and then to export capital from them into the region or even globally. Singapore is the best example of this. Its FDI has a value of 13.3% of GNP (1990-94), but as can be seen from the dominance of foreign capital (foreign FDI/GNP 91%), these exports mainly come from the imperialist plants.

It would be an exaggeration to explain the increase in South Korean and Taiwanese capital exports entirely by such imperialist investments. South Korean and Taiwanese firms did gain market share in the USA at the expense of Japan. Nevertheless, with the end of the Cold War, US imperialism was no longer willing to give preferential access to the two countries and withdrew the status of "Generalised System of Preferences" in 1989.

The strength, especially of South Korean capital, is shown by the fact that recently, despite harsher international competition, it was able to make significant investments in the computer sector in the USA, to establish a car plant in Britain and to purchase the Polish car industry. These investments were not in relatively unimportant niches but in central sectors of the world economy. Not only that, despite a 9% revaluation of the Won and a 20% increase in wages, the *chaebols* in 1987 were able to increase production by 16% and net profits by 34%.[40]

South Korea and Taiwan have also been able to make their presence felt as regional powers in South East Asia. At the end of the 1980s Taiwan replaced the USA as the second biggest foreign investor in the ASEAN countries and Japan as the biggest foreign investor in Malaysia. In Vietnam, Taiwanese capital also has first place. South Korean capital exports to ASEAN countries went mainly into processing industries (two thirds of accumulated FDI) in Indonesia, Malaysia, the Philippines, and Thailand. The German Asia expert Köllner went so far as to say that:

"The ASEAN states, together with China, have become an extended production line for South Korean firms" [41]

Such developments, however, are counterbalanced by some serious problems and countervailing tendencies. Although South Korea's trade balance with the USA has long been positive, that with Japan was in the red for decades. Only in the years 1987-90 was the trend reversed. In the 1990s the deficit has grown bigger than ever, US$4,800 million in 1990, $9,700 million in 1991. Quite apart from the financial implications, this deficit highlights the technologically dependent position of South Korea.

A further problem related to the assessment of the importance of capital flows in and out of the Tiger economies is that much of the inflow is of credit and, consequently, a significant part of the outflows are not exports at all but interest payments to the imperialist creditors.

The importance of capital exports from the two countries has to be qualified on other counts too. Some firms are really just fronts for Japanese or American investors and of Korean and Taiwanese firms whose products, for the most part, are dependent on patents held by imperialist multinationals or are dependent on the importation of key technologies from the imperialist centres. Similarly, while world famous products may be made in Asia under license from US, Japanese or European corporations, the latter corporations retain control of marketing and distribution which allows them to siphon off the bulk of the profits.

Berhard and Ravenhill give the example that, although Taiwan was the leading producer of computer monitors in

1991, with 39% of the world market, the key component, responsible for 30-35% of the total value of the product, came from a Japanese firm.[42] Similarly, they cite a study which showed that in 1987, 36% of the components of the Korean electronics industry came from Japan.

Apart from these considerations, a certain distinction has to be drawn between South Korea and Taiwan. In Taiwan, in the last 10 years, the proportion of foreign investments has greatly increased. One of the reasons for this is the big export outlets in South East Asia and the booming Chinese market. In this connection, Taiwanese capital is not in a good position to develop its own technologies and capital exports because of a lower degree of concentration. This means that dependence on foreign technology and capital exports is higher. For the same reason, South Korean multinationals are much stronger in the world market in comparison to Taiwan.

The question as to whether South Korea and Taiwan have managed to overcome their semi-colonial status revolves around their ability to overcome their dependent relationship within the international framework at the economic, political and military levels.

We think that Taiwan remains a very advanced semi-colony, but certainly not an imperialism. Decisive in this is the low degree of development of monopoly capital which results in a greater dependence on imperialist "mother firms" for the export of capital. The higher mass of capital exports is certainly an important factor but it has to be seen in relation to the higher import of capital from the imperialist states.

Development in South Korea is more advanced than in Taiwan. As we have shown, the high degree of monopolisation has made possible a relatively important position in the world market. However, capital export has only become of central importance in the recent past and in total is still not very great. It remains to be seen whether this will change in the coming years. As regards the internal situation, the *chaebols* are going to have to deal with three central problems.

First, they face the urgent necessity of cutting their debts. As in Japan, the close merger between banks and industrial concerns has led to a mountain of debt. In the next few years, the government is going to have to deal with this. This will lead to firms collapsing, increased taxes for the working class and so on. This problem can be resolved but as the longlasting problems of Japan have shown, the obstacles are very big.

In particular, they will be made more difficult by increasing international competition and a tendency towards protectionism among the established powers. This will be made worse by the changed international political situation in which the grounds for the Tigers' earlier advantages have disappeared, only to be replaced by moves towards regional "bloc-building" by the imperialists. The same states are now unlikely to tolerate the emergence of new imperialist rivals. At the same time, a second rank of would-be tigers, Malaysia, Thailand and the Philippines, are undermining the competitiveness of production in South Korea and Taiwan.

Secondly, South Korea is on the threshold of joining the OECD, the rich club of around 30 top industrial nations. But the price of membership is opening up the closed capital markets in South Korea to foreign capital. This will lead to vulnerable monopolies being taken over, leading to many familiar names in Korean electronics and cars being effectively owned by the more efficient imperialist rivals in Europe, the US or Japan.

Finally, and above all, there looms the biggest challenge of all, the growth of the working class within South Korea itself. The huge economic progress of the last four decades has brought into being a new and militant working class, already tried and tested in the battles that have raged on the streets, in the factories and in the shipyards.

The coming international competition to the power of the *chaebols* will lead the Korean bosses to take on this class that has begun so recently to build up its trade union strength. The outcome of that battle will not only decide the character of South Korea but may well determine the future of Asia's "economic miracle".■

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FOOTNOTES

1 The "four tigers" of S. E Asia are South Korea, Taiwan, Hong Kong and Singapore.

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12 Lutte Ouvrier, in *International Communist Forum* 16 London 1994 p13

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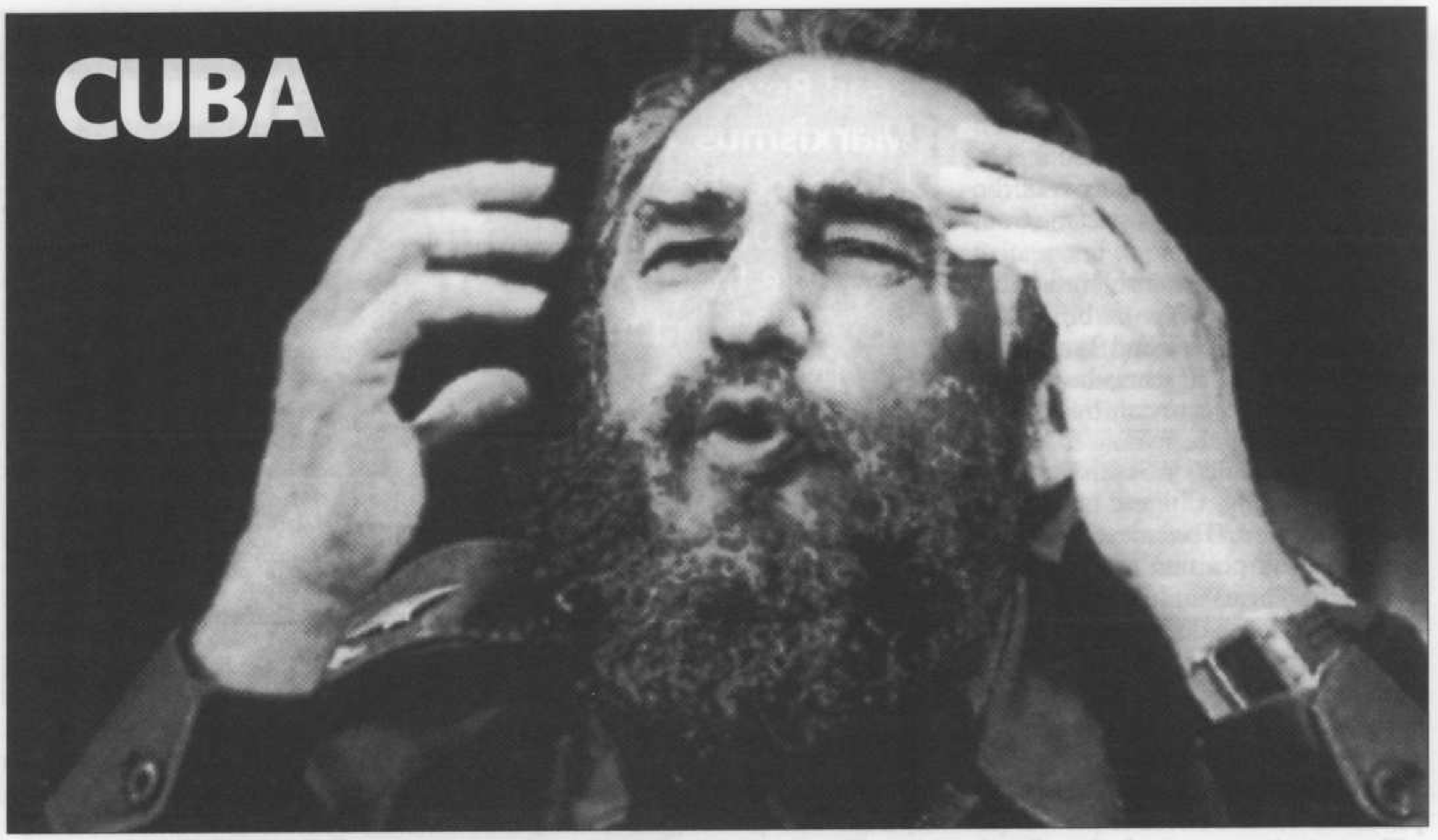

Socialism in a "special period"?

by Keith Harvey

JUST OVER forty years ago Fidel Castro and a handful of fighters landed in Cuba. This initial nucleus, during two years of guerrilla warfare, grew until they were able to overthrow the hated US-backed dictator General Batista. Castro and the great majority of the July 26 Movement leaders were no communists. Fidel sincerely hoped to steer a middle course for Cuba between US imperialism and the Communist bloc; he wanted an "olive green" not a red revolution; a Cuba which had achieved "national independence", no longer exploited by US imperialism but still capitalist.

For this reason Castro tried to maintain an alliance with what were seen as "patriotic" sections of Cuban capital for as long as he could But over the next three years implacable US hostility and the defection of the bourgeois parties from the ruling coalition pressured Castro into transforming the nature of the Cuban revolution. Step by step the tightening US economic blockade forced the J26M to more and more radical measures against both foreign and indigenous capital till an abortive CIA sponsored invasion by Cuban exiles in April 1961 drove Castro to declare the "socialist" character of the revolution. Castro was able to do this, ninety miles from the most powerful imperialist nation on earth only courtesy of security guarantees and economic aid from the Soviet Union

Despite the active participation of the workers of Havana in the final ousting of Batista, this was no mass socialist revolution, consciously made by the workers of Cuba themselves. Castro in power bureaucratised a genuine anti-imperialist democratic revolution, creating a bonapartist regime, albeit one which retained popular support in the face of the US attacks, rather than leading the workers to the seizure of power and creating a democracy of workers' councils (soviets). Castro fused his petit-bourgeois political movement with the pre-existing Cuban Stalinist party creating a ruling a monolithic party and bureaucracy, complete with all the ideological trappings of Stalinism.

This regime completed the nationalisation's and subordinated the means of production to a plan based on that of Czechoslovakia. For military-strategic reasons related to the Cold War, the Kremlin was willing to shoulder the cost of this attempt at Caribbean "communism". Thus the first workers' state in the western hemisphere was born. Unfortunately it was born with a privileged and parasitic ruling bureaucracy, with no workers' democracy and in need, immediately, of a political revolution to remove these obstacles to the construction of socialism and the international spread of the revolution. In short Cuba was from the outset, despite the undoubted mass popularity of the leadership figures like Castro and Che Guevara as anti-imperialist heroes, a degenerate workers' state like those of Eastern Europe, China, Vietnam etc.

Subject to an economic blockade, only the sale of its economic mainstay, its sugar crop, to the USSR at higher than world prices combined with massive aid from the USSR, including subsidised oil sales, enabled the tiny island economy of Cuba to survive and prosper as a "socialist country". The Kremlin did this not out of revolutionary solidarity but because Cuba was a valuable piece in the chess game of the Cold War. In the 1960s the USSR placed nuclear missiles on Cuba in an attempt to redress the balance of the USA's superiority in nuclear forces. In the 1970s and early 1980s Cuban forces' interventions in Africa greatly supported the extension of Soviet influence there.

With the accession of Gorbachev and his craven overtures to imperialism the days of the massive subsidies for Cuba were numbered. Gorbachev put Cuba on rations and the collapse of the USSR ended its support altogether. In September 1990 Castro announced that difficult times had given rise to a "special period" in which Cuban socialism was to be saved by welcoming in foreign capital-

ist investment.

Today Castro is, despite his continued protestations of Marxist orthodoxy, engaged in running the film of the Cuban revolution backwards. As before the 1959 revolution, tourism and sugar are to dominate the economy. The old Stalinist industrialisation models are set aside and the historic founders of Cuban nationalism, such as José Marti, are upstaging Marx and Lenin. Castro hopes that his bonapartist dictatorship can shed its communist ideology piecemeal, gradually overseeing the restoration of a "patriotic" capitalism, but without either provoking the Cuban workers into a political revolution or opening the doors to a US-controlled social counter-revolution.

No socialist can fail to be sickened by the hypocritical concern of the White House and the US Congress for democratic rights in Cuba. Workers will weep no tears for the Cuban Miami millionaires and gangsters prevented from battening on their homeland. The US economic blockade aims to starve the Cuban people into submission, turn them against Castro and open the way for the Cuban bourgeoisie in Florida to return. These parasites would at once return Cuba to the wretched role of a US semi-colony. The intransigence of the US, even in the face of repeated attempts by the Cuban government to reach a compromise, is to teach the world's oppressed nations and peoples that throwing out Uncle Sam's puppets and seizing Uncle Sam's factories and plantations carries a high price—even thirty five years on.

Everyone who calls themselves a socialist must fight to prevent this happening. The workers' movement around the world, especially in the imperialist countries trying to strangle Cuba, must campaign with renewed determination to break the economic blockade, to pressurise their governments to open up trade and travel links with Cuba. It must mobilise aid and support for Cuba's workers. But this does not mean lying about the character of Castro's regime for one simple reason. Without the replacement of this regime with one based on workers' councils the eventual downfall of the workers' state itself is inevitable.

Many leftists throughout the Americas have seen in Castro's Cuba a model of socialism for small countries at the mercy of US imperialism. Still more applaud the sacrifice of Cuban soldiers and doctors in providing assistance to Angola against racist South Africa. For the youth of much of the world Che Guevara still symbolises internationalism and anti-imperialism. In the Caribbean and South America many millions of poor workers and peasants rightly admire Cuba's health care and education system – something which in their super-exploited semi-colonies they can only dream of.

Castro hopes that his bonapartist dictatorship can shed its communist ideology piecemeal, gradually overseeing the restoration of a "patriotic" capitalism

Nor is the fascination with Castro's Cuba confined to Latin America. In Britain at the founding conference of Arthur Scargill's Socialist Labour Party, a speaker from the Cuban embassy was the guest of honour. The loudest catcalls were reserved for those on the left who dared to criticise the lack of workers' democracy in Cuba. Even the 14th World Congress (July 1995) of the supposedly "Trotskyist" United Secretariat of the Fourth International (USFI) saw majority and opposition come together in a rare display of unity to affirm that Cuba was most definitely not a bureaucratic state in need of a political revolution.

The Cuban regime's propaganda attempts to reassure its party cadres and the Cuban masses that the gains of the revolution are safe in its hands. Carlos Lage, Cuba's chief economic minister, said in November 1993, "the model that we want and are defending is the socialist model." The Cuban Economy and Planning Minister has described its current project as "a socialist system with elements of the market".

But this justification of the current policy of the Cuban government, accepted and peddled by many on the left, is a gross self-deception, even if it is born out of a genuine desire to defend Cuba against imperialism. Castro is not building or defending socialism. His concessions to the market are not secondary or peripheral; on the contrary, they have sanctioned exploitation and magnified social inequality. They are not the actions of a state playing for time, manipulating the market in order to strengthen the socialist elements of the economy such as large scale industry. The present policies of the Cuban regime can only strengthen the forces which will push for the restoration of capitalism in Cuba. Indeed as in the former Soviet Union in the late 1980s, a significant section of the Cuban bureaucracy is already looking to transform itself into the new technocratic capitalist class within the new Cuba.

The absence of proletarian democracy embodied in sovereign workers' councils, prevents the Cuban working people from fighting against this as well as against the alternative of US subordination. Until and unless Castro's bonapartism is overthrown by the councils of action, rooted in the factories, farms and offices, until all the remaining levers of economic planning are in the hands of the workers themselves, then Cuba will be incapable of moving towards socialism. The important social gains, health care and education, which are products of Cuba's thirty five years as a degenerate workers state, but which many have mistaken for socialism, will not long survive in their present form.

The crisis of Cuban society

Cuba's present economic plight did not start with the withdrawal of Kremlin aid, though the latter event greatly magnified and accelerated the decline. Rather, the remorseless fall in Cuba's growth rate stems from 1984 when Soviet assistance was at its height. The causes of this were the same as beset other degenerate workers' states: a system of bureaucratic economic planning that operated without reference to the needs and wishes of the people the system claimed to serve. The consequences too were identical: falling productivity of labour and stagnating output. Already by 1988 social spending in key areas such as housing were down to 60-75% of their 1981-83 levels.

The impact of the collapse of Stalin-



SUGAR AND TOURISM STILL DOMINATE THE ECONOMY

ism in Eastern Europe and the USSR in 1989-91, however, was immediate and catastrophic for Cuba. The end of bi-lateral aid and favourable terms of trade pushed the economy into a tail-spin. Exports fell by 70% and imports by 75% between 1989 and 1993. Subsidies amounting to $5bn in 1990/91 were lost.

GDP collapsed by nearly half between 1990-95. In the worst year of 1993 some 80% of all factories were idle. The mainstay of the economy and chief foreign revenue earner—sugar—declined dramatically; sugar comprised 75% of Cuba's exports by value in 1989. The 1994/95 sugar harvest was down to 3.3 million tonnes, the lowest for 50 years and 40% of the 1990 output. Cuba's 156 sugar mills were working at only 59% capacity.

In response to the massive shortfall in export revenues the government slashed spending. The pay roll of the state was immediately reduced. By early 1992, 52% of all those employed by the Ministry of Agriculture were sacked, followed by 46,000 employed in the Ministry of Construction. Loss of jobs and falling real pay meant that personal consumption fell by 15% each year between 1989-93. Since three quarters of Cubans work for the state the effect of holding down wages was immediate and generalised.

Prices rose due to shortages after 1990. The incentive to sell goods to the state at fixed prices was lost.

The cost of meat rose 29%, tobacco 52%, potatoes by 35%. A dual economy mushroomed; those Cubans whose peso wages were the only source of income saw their standard of living decline dramatically. The prevailing prices of early 1995 meant that all of the income of a worker on the average wage could have been used up to buy 2-3 kilos of pork. The price of four apples, at $4, would take up half a month's average wages at the current exchange rates.

Women workers are suffering most from the "special period." Many women have been sacked first from the factories

One report suggested that the official state rations in the state stores were sufficient for about 12 days of each month[1]. Survival was only possible through solidarity networks embracing family and friends.

On the other hand, the 44% of Cubans with access to dollars - remittances from families abroad or from those working in tourism - had ready access to most goods on the black market or in special shops. So the growth in poverty has been accompanied by growth in social inequality, itself an indication that Cuba is not moving in a socialist direction in the "special period". Foreign investment and differential access to dollars have combined to create new classes and castes in Cuba, with sharply differing standards of living and prospects for the future.

At the bottom of the pile, and with most to lose from the transition towards market driven access to goods and services, are the bulk of state employed urban workers in industry. Most are on below average wages and have little direct access to dollars. Already, by 1994, 20% of these were also working for themselves in some occupation to try and get enough to survive. Naturally they depend most on continued access to free health care and authorised rations.

This class of urban industrial workers is critical to the future of Cuba. Its collectivity and consciousness are a precious heritage. If socialism is ever to be realised in Cuba then this class must be the social force that carries it out. Yet Castro's policies are consciously aimed at dissolving this class into an amorphous mass of self-employed petit-bourgeois. In September 1993 the bureaucracy opened up over a hundred occupations for private non-state employment. Given that between 1995-97 the Cuban government aims to sack between 100,000-200,000 state sector workers the scope for many more self-employed is clearly going to enlarge.

Even those who are still employed by the state are increasingly being stratified by pay and bonuses. Convertible peso bonuses are given to workers in the power, mining and port industries, which in turn allows them access to dollars.

Working conditions, once fairly standardised, are now being changed for certain workers. The Council of State passed legislation outlining special working conditions for those Cubans in the tourist industry. In return for higher wages than others are allowed, they face longer probationary periods, are easier to sack, work longer hours and face stricter discipline on the job.

In a further reactionary turn, there is plenty of evidence that women workers are suffering most from the "special period". Many have been forced to give up their jobs in order to devote themselves to finding food and running households; many women have been sacked first from the factories.

If the wage-labouring workers are dwindling in number and being gradually stratified then the same cannot be said for the new class of technocrats, specialists and intermediaries that has grown in the last six years as the volume of foreign investment and the number of joint enterprises have increased.

Over 650 foreign firms (including a dozen banks) have invested $2.1 bn. in Cuba since 1991. Most of the investments are joint ventures, with the Cuban government owning 51% of the equity. By far the bulk of this investment is in the tourist industry which is expanding rapidly. In 1995, 745,000 tourists visited the island and the government hopes for 2.5 million by the end of 2000. Hotel capacity is to be doubled. Castro's hope is that this industry will bring in sufficient foreign currency to help bridge the budget deficit. Whether or not this is successful in the short term, the problem is that this kind of investment has few knock-on effects with the rest of the economy. Many supplies come from abroad, few advanced skills are learned and transmitted through society; meanwhile, a sharply divided society arises.

The most rapid social transformation taking place in Cuba over the last years has been in the countryside. In order to deal with the growing shortages of food were was driving prices higher, the government undertook radical land reform. In 1992, 75% of Cuba's cultivable land was run by state farms; three years later this was reduced to 25%. Most state farms were broken up into Basic Units of Co-operative Production (BUCPs), which now accounts for 90% of the country's cane fields and 42% of non-cane agricultural output.

This reform, like the law on self-employment in the cities, is partly an attempt to deal with the de-proletarianisation caused by the effect that the end of subsidies is having on state industry. Castro hopes to absorb thousands of those sacked from the factories into the new co-operatives so that they can boost food output and especially food for self-consumption, thereby reducing claims on the state budget.

The BUCPs have the right to the indefinite use of the land, they own the output, and are free to sell it where they wish and buy all their inputs on credit. The workers are no longer employed by the state on a fixed wage but are members of a co-operative whose earnings are tied to the profitability of the unit. The more prosperous BUCPs are thus becoming the most important sources of accumulation of private wealth by Cubans. When restrictions on private land ownership and sale are lifted this wealth will be used to concentrate land ownership and create a class of impoverished workers on the land.

Social and political crisis, 1993-94

The first three to four years of the "special period" were ones of growing poverty and deep inequality structured around a dual peso/dollar economy. The government's measures were by and large administrative and attempt-

ed to deal with the crisis through rationing, moral exhortation and repression. But by June 1994 black market prices for food were out of control; the peso/dollar rate was 100:1 and rising.

The scale of the problem was so big that no police force would have been big enough to suppress the black market. At last, resentment spilled over into open protest. In July 1993 there were the first riots in Cojimas and Regla. Then, on 5 August 1994, the largest protests in Cuba since 1959 took place. At Malcon, near Havana, a thousand Cubans gathered when it was heard that boats were being hijacked for sailing to the US. The police intervened and violent clashes took place.

Castro responded in two ways. First, he said all those who wanted to go should do so; by mid-August over 6,000 rafts had arrived in the USA. By the first week of September more than 30,000 Cubans had been picked up at sea before an agreement was reached between Castro and Clinton to stem the flow.

Secondly, Castro authorised further pro-market measures to try and stabilise the situation. Dollar holdings were legalised, as were the unauthorised agricultural markets and further reforms on self-employment were passed. With these measures the economic situation began to improve and prices levelled off. In addition, Cuba benefited in 1994 from a sharp change in the relative world price of oil and sugar, which finally moved in a favourable direction for Cuba. GDP grew 2.5% in 1995 - the first year of growth since 1989.



CUBAN BOAT PEOPLE

Castro - enlightened despot?

The Cuban people do not hold political power in their own country. When the 3,000 members of Castro's Rebel Army finally seized power, entering Havana in December 1958 they took over a crumbling edifice. The old state machine of the Batista dictatorship, long rotting from within, had effectively collapsed. Castro did not promote or build institutions of accountability and power rooted in the mass of the population and reaching up to the highest national levels of the state.

Rather, Castro built a state based on paternalism and repression. For the first ten years after the revolution Cuban politics were dominated by an extreme form of personalised bonapartism around the figure of Fidel Castro, a sort of Stalinist "enlightened despotism". As one commentator pointed out it was a state structure in which "the only institution of any permanence was Fidel himself."[2]

Those who have christened Cuba socialist contrast the atomised character of the working class in the USSR and the absence of popular organisation with the "direct democracy" that purportedly exists in Cuba.

They point to the organs of Popular Power, the popular tribunals, the Committees for the Defence of the Revolution (CDR), the 89,000 mass meetings that preceded the Fourth Party Congress in 1991.

Indeed they claim that, since the delegates to the National Assembly were elected for the first time in 1993 by direct popular vote, socialist democracy is actually being strengthened in Cuba, despite the hardships of the "special period".

There is clearly a difference between the old USSR and Cuba in the methods chosen by the ruling Stalinist bureaucracy to solicit consent for its policies. The Kremlin bureaucracy gutted the organs of workers' democracy and had to exterminate all political opposition in the purges and labour camps; Castro has sought to legitimise his rule with the passive but spontaneous support of the Cuban people against constant imperialist encirclement.

But so-called "direct democracy" is not at all a system whereby the working class rules the state. Rather a bureaucracy uses it as a means to mobilise the masses to implement its policies and, at best, to sound-out the grievances of the people before these reach an explosive level. Che Guevara once revealed the nature and limits of Cuba's bonapartist form of rule:

"We are using the almost intuitive method of keeping our ears open to the general reaction in the face of the problems that are posed. Fidel Castro is a master at this: his particular mode of integration with the people can only be appreciated by seeing him in action. In the big public meetings, one can observe something like the dialogue of two tuning forks . . ."[3]

Over the following decades Castro merely added to and modified the forms of this "dialogue", teasing out and bringing to the surface the preoccupations of the masses while at the same time allowing Castro to pass down the decisions taken elsewhere.

When the paternalism and mass propaganda fails then the repressive apparatus swings into action.

But not a single one of these institutions have authority to direct resources. Cuba's political structure is organised to solicit opinion, channel bureaucratic decisions back down the line and identify and control dissidence.

This was true of the people's courts in the 1960s, which covered the island and which were administered by lay people dispensing local justice. They offered a structure for discussion about local problems but their power was limited to dealing with minor criminal misdemeanours. The bureaucrats were totally immune from this justice system.

Today's organisations at barrio or municipal level in which grievances may be aired have no power to resolve their grievances. Meanwhile, organs like the CDRs are control agencies, administering ration books; compliance is a condition of being fed.

When the paternalism and mass propaganda fails then the repressive apparatus swings into action. The "rapid reaction squads", brought into being around the 1980 Mariel crisis are now permanent features of political life. They were used to great effect in the 1980s against emerging human rights groups, as they were in the riots and protests of 1993/94.

Where next?

Cuba is no socialist country. Judged by the most basic of indicators - economic growth (especially industry), productivity, social inequality, the position of women in society, paternalism and repression in the state - Cuba is not moving towards socialism.

But many will say that Cuba had no choice, given the end of Soviet aid. To



this there are two answers.

First, a small island, subject to the blockade of a powerful neighbour, would necessarily have to seek to gain access to the world economy on the most favourable economic terms that it can reach, utilising whatever contradictions and rivalries exist among both imperialist and semi-colonial countries.

Undoubtedly, even the most revolutionary state in the world might, like the Bolshevik government in 1921, be forced to retreat and make concessions. But to prevent a tactical retreat becoming a strategic betrayal requires a firm grasp on political power by the proletariat.

But the Cuban workers do not control their own government and until they have the kind of democracy in which the workers have power they can take no responsibility for the measures of a ruling bureaucracy. That bureaucracy is more concerned to

Despite the reforms of the last three years Cuba remains a degenerate workers' state; that is, it is a post-capitalist society ruled by a repressive bureaucracy.

defend its own position and wealth, as an intermediary for foreign investors, than the working class.

While there are agents of the CDR on every bloc and while dissidents are locked up, there is no democracy for the working class, no matter how many times Castro puts himself before the electorate.

Despite the reforms of the last three years Cuba, while not socialist, is still a degenerate workers' state: that is, it is a post-capitalist society ruled by a repressive bureaucracy. For the moment, state enterprises, while idle are kept open; the state continues to dictate inputs and prices to the private farms. The state retains its monopoly of foreign trade in key areas of the economy. Past reforms have, as in Eastern Europe, cut the budget deficit, stabilised the currency and liberalised many prices. But the central plan and banking system still co-ordinates the economy.

In this sense, Cuba, having broken its dependency on the USSR has adopted many of the economic reforms of Chinese Stalinism. At the same time it has mimicked China's political autocracy, but with a considerable degree of plebiscitary and paternalistic bonapartism.

But having been welcomed into Cuba, the market and capital will not rest content with the limits currently imposed on their further development. To date Castro has decreed that there can be no sale/purchase of land; nor can there be any private ownership of property for Cubans and thereby no right to exploit others. Meanwhile, the state guarantees a minimum allowance of food; the right to free education and health provision.

But the present situation is not a lasting solution. More closures and lay offs will come as will greater foreign investment and less Cuban control over it. Castro's plans for a convertible currency to attract loans and investment will sooner or later mean further cuts in social provision as Castro seeks to defend convertibility by budget cuts.

Unlike China, Cuba cannot count on a massive reservoir of savings for future investment drawn from the countryside as new peasant farmers prosper under private agriculture. He will be dependent on external investment which will only come if labour and financial conditions are in place.

The greatest danger is that the current strategy of the Cuban leadership leads to the dissolution of the Cuban working class (farms and industry) and "releases" them into petit-bourgeois, petty commodity enterprises, while foreign and state capital gobble up the reduced industrial means of production. Even if de-industrialisation is reversed it is likely under the current regime to lead only to the growth of "special economic zones", as in China or in Mexico's maquiladores - with the formation of super-exploited sweatshops.

If food production continues to improve, the currency strengthens and foreign investment comes in to bridge deficits, then the regime could experience short-term stabilisation. But only at the cost of growing social inequality and growing demands for an end to the restrictions on ownership of the means of production by Cubans. Imperialism increases its leverage day by day and as Cuba's dependency increases so Castro or his successors will not resist its claims indefinitely.

Defending past gains

Cuba's workers must defend the remaining social gains from attack. The first priority of the state should be to guarantee the health service and food provisions for the population. There must be no sacrifices for the Cuban people while privileges exist for the elite. Rationing must be planned democratically and controlled by committees of producers and consumers.

The special shops for the ruling elite should be opened to all under the control of workers' committees. Workers should be in control of all industries and the whole economy. All the accounts of the administration of the economy should be opened up to workers' inspection. Managers should be elected and recallable by workers' assemblies and the planned economy should be placed under workers' democracy; only the workers should decide, how, what, and how much to produce and to distribute. Only the workers should decide on wage levels, labour allocation and what sacrifices are unavoidable.

Full employment must be defended and all sackings and forced "self-employment" opposed. Trade unions and popular organisations independent of the bureaucracy and the imperialists will be essential to pursue these goals.

The Cuban proletariat desperately needs the oxygen of freedom of expresión; freedom of the press, of assembly. Cuban workers need a truly free, truly democratic media under workers' management and control. Above all it needs the freedom to create political parties, first and foremost a revolutionary Trotskyist party, which means demanding an end to monopoly of political life by one ruling party.

Nevertheless the banning of actively counter-revolutionary parties is fully justified and made necessary now by the economic, and potentially military, war the Cuban bourgeoisie in Miami and Washington is waging against the workers' state. Thus it is necessary to restrict "democratic" rights for them; for example, neither they nor anybody must be able to buy access to or control of the media, the press radio and TV. The workers themselves should decide which parties to make legal and which represent a real threat of counterrevolution.

Such proletarian democracy is part of the dictatorship of the proletariat against the campaigns, machinations and attacks of the bourgeois counter-revolution.

What kind of government do the Cuban people need? Castro has said he will retire before the next elections. So pivotal is the personal bonapartism of Castro that his retirement or death will focus not only the grievances of the people upon the bureaucracy but the hopes for change on some force beyond the *lider maximo*. No longer will Castro be able to be, in the words of one writer, "both prime minister

and opposition leader" as he is at present.

And it is at this point that the long tradition of popular participation, a cultural tradition of dialogue within the barrio about the fate of the revolution, could begin to play a positive role. Here the Cuban masses have some advantages over the masses of Eastern Europe and the ex-USSR; they possess a degree of politicisation unequalled in other degenerate workers' states.

But if Castro's bonapartism were to give way to a parliamentary regime and the market economy then the Cuban workers will not win real political freedom, let alone social emancipation. They will have gained only a millionaires' democracy. The key task is to facilitate the creation of a workers' council democracy through the creation of organs of workers power.

Yet for now, the contradictory illusions in both Castro and bourgeois democracy tend to predominate in the masses. In order to cut through their bourgeois democratic illusions without at the same time sharing them or bolstering them - and in the absence of a fully fledged system of workers' councils - the demand for elections to a sovereign revolutionary National Assembly should be raised against the neutered assembly granted by the Castroites.

Elections to the National Assembly took place in 1993. As in previous elections only one list of approved candidates was allowed to be voted upon. But as a result of new reforms around 35% of the candidates for the assembly were nominated by the municipal assemblies while the rest were approved directly by Castro.

Like the whole process of popular consultation the reform was designed to allow the letting off of steam by the masses, allowing the bureaucracy to identify pressures and grievances building up and thereby defuse or repress them. Meanwhile, political power—before and after the electoral reform—remains firmly in the hands of the bureaucracy.

In any future elections the Assembly should be elected by universal, equal, secret and direct suffrage by all those over sixteen and others below this age in full time work.

The only Cuban citizens recognised as such with the right to vote should be those who have uninterrupted residence in Cuba. Anyone who has the right to vote should be allowed to stand for election. Mass election meetings must be held in every constituency and in the factories, the offices and the farms.

The new, revolutionary assembly must be allowed to completely overhaul the Constitution that Castro happily modifies to suit the needs of private capital, yet preserves from the pressure of the Cuban people. All the functionaries and members of the government and National Assembly should received no more than the wage of a skilled worker. A new, revolutionary National Assembly must express the will of the people and above all the overwhelming majority of the people the urban and rural workers.

A revolutionary party would fight in the election campaign and in the Assembly itself to prove that only a democracy of workers' councils of recallable delegates and a democratically planned economy can lay the basis of a free Cuba, free of imperialist domination and free of exploitation and poverty.

Only an Assembly that accepted such a line, the preservation of their past gains and the guaranteeing of a new political freedom for the workers, could be genuinely called a revolutionary body.■

FOOTNOTES

1 See NACLA report "Cuba: adapting to a post-soviet world" (*NACLA* Vol 29 No 2 September/October 1995)

2 K Karol, *Guerrillas in Power*, New York 1970.

3 Che Guevara, *Man and Socialism in Cuba*, Havana, 1967

BREAK THE BLOCKADE!

ALL WORKERS AND socialists should respond to the call for solidarity with Cuba. The 40 year long economic blockade organised by the United States must be ended, Cuban assets abroad unfrozen and the freedom to travel upheld. But how?

Castro's policy for ending the isolation of Cuba is to appeal to the self-interest of the European imperialists at the United Nations and get them to denounce the Helms-Burton Act which promises sanctions against European multinational companies for investing in Cuba. Exploiting the divisions within the imperialist camp is principled and can be a holding measure until the international revolution can make progress. But this is not the axis of a revolutionary and internationalist policy.

A revolutionary workers' government would appeal to the proletariat of the semi-colonial and imperialist countries' to aid Cuba. Not only—and not mainly—by the limited economic resources they could send themselves but by a massive and militant campaign to force their governments to abandon and break the US blockade and to open up trade and aid links with Cuba.

The central axis of the policy of a revolutionary workers' government would be to break from the reactionary policy of "socialism in one country". It would set out to aid every anti-imperialist struggle and would lend its full support the class struggle world-wide. It would for example aid the popular masses of Haiti to finally settle accounts with the military that oppresses them and allows imperialism to superexploit them. It would make Cuba the fortress of a new revolutionary international and work for an early ending of its isolation by the spread of revolution beyond its shores.

A revolutionary workers' government certainly would have to undertake a policy of controlled integration into the world trading system and would not rule out or cancel all joint-ventures with foreign or multinational capital. Given Cuba's location and resources, isolation and autarky is not an option. However, any co-operation with imperialist or semi-colonial capital in Cuba must not be at the expense of the workers' rights to organise or to fight for decent wages and conditions in these enterprises.

The monopoly of foreign trade must not be seen as a rigid barrier to capital but as an active guardian of planned property and at the same time an interventionist instrument for getting the best possible deals out of the still capitalist world economy. A workers' democracy would continue to welcome tourism but would not ghettoise it or restrict the facilities it brings to non-Cubans.

Likewise such a government would actively seek capitalist participation in productive industry, especially in the most modern high-technology sectors. While clearly the reasons for capitalist investment would be to make profits, probably at a higher rate than elsewhere, the workers' state would not restrict trade union rights and workplace democracy in these companies in the interests of multinational capital. Last but not least, there is the question of Cuba's international debt; a revolutionary government would immediately stop all payments.

The Cuban workers are not responsible for the mismanagement of the bureaucracy. It would call on the governments of the semi-colonial countries to follow its lead and renounce the debt.

It would call for a united front with the workers, peasants and urban poor of these countries to fight for this against the IMF and the World Bank. It would appeal to the labour movements of the imperialist countries to obstruct and fight against the savage measures that the IMF/WB and all the imperialist agencies would launch against it.■

NEW ZEALAND/AOTEAROA

The failure of left reformism



ALLIANCE LEADER JIM ANDERTON

The New Zealand Alliance Party has been cited as a model for the left. **Roger Trafford** of Workers Power New Zealand-Aotearoa blames its poor performance in the recent elections on the failure to break from reformism.

ON 12 OCTOBER, after six years of National Party rule, New Zealand had its first election under Mixed Member Proportional Representation (MMP). Under MMP you vote twice, once for a local constituency MP and once for your preferred party. The make up of parliament is decided by the percentage of party votes. Early on in the campaign opinion polls suggested National would get enough votes to govern on its own. But strong surges by the right wing populist New Zealand First (NZF), and then Labour, saw the polls signal a turn of voters towards a centre-left coalition government.

When the polling booths closed it was clear that National had failed to win a majority. Indeed a majority of seats went to those parties who opposed the central thrust of National's neo-liberal agenda. Labour (37), New Zealand First (17) and Alliance (13) totalled 67 seats to the 63 of the neo-liberal parties; National (44), ACT (8) and United (1). But where was the centre left government which polls had predicted? Winston Peters' NZF held the balance and set about playing Labour and National off against each other in extended coalition talks. As we go to press it looks as if Peters may put National back to continue its attacks on the working class even though this may cause divisions in his own party.

But the big loser on election night was Alliance which polled just over 10%. Opinion polls had predicted them winning anywhere between 15% and 20% of the vote. MMP was supposed to make it easier for smaller parties to do well. Yet the Alliance polled far less than the 18% they won in 1993 in first-past-the-post elections.

Vote splitting counted against the Alliance as 34% voted differently in the party and constituency sections. Even in Alliance leader Jim Anderton's own seat voters increased his personal majority as a constituency candidate but only gave the Alliance 22% of the much more important party vote, preferring instead to vote Labour. This trend was reflected elsewhere, as in Auckland Central, where deputy leader Sandra Lee polled nearly 7,000 votes but the Alliance won barely 3,000 party votes. The key to any election is Auckland, yet here they won a mere 7% of the party vote.

Why did the party which was the product of a revolt against savage neo-liberal measures of the last Labour government (1984-90) and the most forthright in its opposition to the National government (1990-96) fail to capitalise on widespread disillusionment with such policies?

The answer lies in the Alliance's reformism. Because it could not transcend the reformist politics of the party that it was supposedly set up to rival, Labour, the Alliance could not sustain or sufficiently expand its base in the traditionally Labour voting working class. Faced with a choice between two types of reformism as the alternative to National the majority of workers opted for the stronger and more rooted one, Labour.

Origins of the New Labour Party

In the 1980s the Labour Party suffered an important split which led to the creation of the New Labour Party. The Labour Party (LP), in power from 1984 to 1990, carried through a neo-liberal economic and social restructuring programme (Rogernomics) which made Thatcher and Reagan's efforts look like pussy footing (See "Labour Party after Neo-Liberalism"in *Trotskyist International* No. 16).

The speed and scale of this betrayal caused a tremendous internal crisis for reformism in New Zealand. Labour was plunged into internal battles between the left and the right. The LP's neo-liberalism led to the extreme erosion of its "organic link" to the unions and working class voters. This was evidenced by a wave of union disaffiliations and plummeting individual membership.

The "left" in the LP around MP Jim Anderton (former Party President) set up the Economic Policy Network (which became the Labour Policy Network, LPN) to challenge the Rogernomes (grouped in the Backbone Club) and defend traditional Labourism.

Anderton was suspended from the parliamentary caucus for not voting for the sale of the Bank of New Zealand, as well as opposing the independence of the Reserve Bank. However, he did not resign until after a series of meetings with his supporters in the LPN, a majority of whom decided to split. The formation of the New Labour Party (NLP) on Mayday 1989 occurred less than a month after Anderton's resignation and heralded a re-alignment of reformism and reformist parties in New Zealand.

The majority of the "old" Labour Party had shifted right to claim the centre ground and the "new" Labour Party occupied the space vacated by them. The NLP, at the time of its founding conference, attracted, apart from ex-LP members, a layer of youth, unemployed activists, green campaigners, union officials and members. It also regained former LP members who had left the party in droves during the mid 1980s, various left liberals, a small section of the intelligentsia as well as some small socialist groupings. After the founding conference it established a national organisation, elected an executive committee and various commissions, and claimed to have 5,000 members, a sizeable party in a country whose population is under 3.5 million.

The NLP's political birthmark was traditional left reformism, the programme of the historic New Zealand LP. Because the left in NLP failed to win it to a revolutionary alternative, the NLP was forced to define its brand of reformism against the LP. The revolutionaries inside the party and the centrists were bureaucratically expelled over the next year and a half .

There was much interest at the time

from the unions but no affiliations.

Origins of the Alliance.

In the 1990 election, after less than a year of its existence, the NLP gained 5.2% of the vote, a reasonable figure given the undemocratic "first past the post" electoral system. Anderton retained his seat in Sydenham. Given the electoral system any vote for the NLP was not for a lesser evil to "keep out National" but a real declaration of opposition to Labour's betrayal and continued class hostility to National. However, the NLP realised that to survive it needed a strategy to extend its electoral base and influence. This need was heightened by the importance of the upcoming referendum on MMP at the 1993 elections.

NLP's chosen vehicle for this expansion was an "Alliance" with various small petit bourgeois parties (Greens/Liberals/Democrats) and a party of the oppressed Maori (Mana Motuhake). The Greens were a new party which polled quite highly, the Democrats was a new name for the old Social Credit party, the Liberals were a left split from National around two backbench MPs, and Mana Motuhake originated in a previous split from Labour by Matiu Rata who has a strong following amongst Northern Maori.

All of these parties were petit bourgeois, not bourgeois, that is, they did not include or represent any sector of the New Zealand bourgeoisie, only small sectors of middle class radical activists. The NLP was, and remains, the major force in the Alliance.

After a period of negotiation the Alliance was launched in 1991. The results of the 1993 elections seemed to justify this strategy. The Alliance gained an impressive 18% of the vote (again in a "first past the post" election) and as well as holding Sydenham it gained Central Auckland, where Sandra Lee disposed of the LP right-winger, Richard Prebble (now leader of the right-wing neo-liberal party ACT), by a large majority. The Alliance also came close to winning Northern Maori (Rata) and in several other constituencies polled second, ahead of Labour.

The NLP and Alliance seemed to be on a roll. Any attempt at seeking a strategic alliance with the bureaucracy of the Council of Trade Unions (CTU), or even a significant part of it, was thus subordinated to the project of the Alliance. The NLP claimed it did not seek union affiliations because it wanted the unions to maintain their independence. However it did get support from unions such as the Seamen, and others grouped in the Trade Union Federation (TUF), which was formed in 1993 in response to the CTU's failure to fight the Employment Contracts Act (ECA).

Life under the ECA required a game plan the old and tired union bureaucracy could just not cope with. Workers had little choice in the lead up to the 1993 elections. With a "first past the post" election looming the majority of the workers' movement took the "lesser evil" approach. Although the "official" CTU election position called on workers to vote both Labour and Alliance, Labour got the lion's share 35%. But the Alliance's 18% was a good result and convinced Anderton that his strategy was working.

The Alliance Today

Since the 1993 elections, the Alliance has established itself as a recognised party of left reformism. Keeping to the left of the LP it has periodically been able to capitalise on the latter's problems (primarily leadership wrangles) to the extent that at one stage, in early 1996, it stood higher in the opinion polls than Labour (26%). However in the lead up to the elections it suffered far more than the LP from the dramatic rise of New Zealand First. The latter took the lead in populist attacks on corporate/political corruption (BNZ, Equiticorp, Higher Salaries Commission the Business Roundtable), as well as former state asset monopolies such as Telecom.

The Alliance has developed quite clearly in a left reformist direction under the hegemony and leadership of the NLP, which has been able to forge the Alliance into what is, in reality, a single political entity. It has done this because of its initiative in putting forward a left reformist programme, as well as its size and general dominance. The Alliance has its own membership (i.e. you don't have to join one of its constituent parties) and branches which have subsumed the individual membership and activity of its constituent parties.

Although the separate parties still formally exist, and are even enshrined in its constitution, these parties are not as important as the whole. The smallest and most insignificant of the parties are its programmatically more "bourgeois" elements, the Liberals and Democrats. The leader of the latter (Gary Knapp) pulled out of the Alliance, claiming NLP dominance.

Apart from the NLP the two parties which have the most pull are the Greens and Mana Motuhake. This balance of forces is reflected in the selection of candidates for placing on the list. Of the top twenty places the majority are NLP followed by the Greens and Mana Motuhake.

Recently, in its submission to the Electoral Commission, the Alliance claimed to have 25,000 members, a mass party in New Zealand terms. Alliance activists are far more prominent on the ground than any other party. It has the ability to organise its own protests as well as participate in others (housing, against privatisations, forestry etc.) and has speakers at most rallies, marches and protests.

The Alliance's membership is made up of both working class and community activists. Through Mana Motuhake it has links with a section of Maori in the North (a majority of whom are unemployed or rural workers, including those in primary agricultural/fisheries industry). It is clear that it enjoys the support of a sector of the national working class, not just in Auckland Central and Sydenham, where it has sitting MPs.

Prominent unionists and union leaders (even those in the LP like Te Pou, Barker and Goshe) tacitly support it, or at least favour a coalition with it. Some important unions in the TUF (Seamen/Timber/Pulp and Paper) have, at various points, supported the Alliance and its campaigns (Shipping deregulation/Ports privatisation). A lot of its financial support is from working

Because it could not transcend reformist politics the Alliance could not expand its base in the working class.



WINSTON PETERS – NZ FIRST



HELEN CLARK – LABOUR



JIM BOLGER – NATIONAL

class areas (Mangere/Henderson/Mt Albert) where they run successful "housie" nights and fundraisers. The Auckland headquarters of the Alliance as well as Sandra Lee's electorate office is situated in Trades Hall, the Auckland CTU buildings.

The Alliance programme and the limits of reformism

So why, with such a base, did the Alliance ultimately fail to attract the majority of working class support over this period? The answer lies in the ability of Labour to repair its "organic link" while in opposition, as well as the defeats suffered by the union movement under the National government which just managed a majority in the 1993 elections.

During the 1993 election campaign itself, and then in opposition to National, Labour successfully rebuilt some of its credibility. Moves such as the "five point" emergency plan proposed after the election, which promised to repeal the Employment Contracts Act (ECA), end privatisations etc., helped resurrect it as a credible party in the eyes of its traditional base. At the same time workers' horizons were lowered by the effects of a whole series of defeats for the unions. The ECA crippled their ability to fight or rather the willingness of the bureaucracy to undertake actions which threatened their funds. National got away with savage benefit cuts, public sector re-structuring, and further destruction of the welfare state.

The Alliance omitted from its manifesto its previous commitment to re-nationalise strategic resources and enterprises such as Telecom, restricting their position to "No more asset sales"

Together Labour and the Alliance polled higher than National in 1993, who just managed a majority. This in turn helped Labour. The two reformist workers parties could have brought down the government and forced another election but criminally they did not. Divisions and unprincipled manoeuvres between LP and Alliance kept the two apart. New Zealand's workers had to suffer another three years onslaught from National. But Labour benefited from this further period of opposition by giving itself more time to repair its electoral base and restore its credentials as the number one reformist alternative to National.

The 1996 election exposed both the extent to which Labour had succeeded and the limits of the Alliance strategy. The Alliance should have built on its 1993 result, given it was the only party promising not merely a respite from, or halt to, the ravages of the past decade but also to reverse some of the key neo-liberal reforms.

Polls identified health, education and employment as the most important pre-election issues, higher even than the economy. It was on these issues the Alliance election campaign focused. Their Manifesto was based around a "Kiwicare" package which promised to restore a completely free health and education system at all levels. They also promised the removal of managers and profit criteria from health administration and the return of locally elected health boards.

Charges for hospital stays, prescriptions, doctor's home visits, immunisations, and school healthcare would be abolished too. Mental health care along with geriatric, rural, maternity and Plunkett (a programme of aid for mothers and babies which was a key component of New Zealand's old welfare system) would also be free. They also promised to re-open closed operating theatres and slash hospital waiting lists which have more than doubled in the past decade to over 100,000.

The Alliance promised that the education sector would be fully funded, class sizes reduced and fees cut, including fees for the tertiary sector which have skyrocketed from virtually nothing in 1985 to nearly $3000. The Alliance would also scrap the Student Loan Scheme to which students owe a massive $NZ 1.6 billion.

On top of these commitments Alliance undertook to build more state-sector housing, restore benefit levels and accident compensation, increase superannuation and the minimum wage. To pay for all of this the Alliance proposed a progressive tax regime, the scrapping of GST (a sales tax) and introduction of a Financial Transaction tax (targeting big business, banks and speculators). Company tax would increase as would tax rates for those earning more than $NZ28,500 with those under paying less tax. In New Zealand the top 16% own 75% of the country's wealth and over the past decade taxes on these top earners and companies have been drastically cut.

The Alliance responded to claims from the right that it was just a tax and spend programme with its slogan "70% of New Zealanders will pay less tax with Alliance, and everybody will get free health and education".

On top of its tax programme was its commitment to full employment and economic nationalism, under the slogan "Fair Trade not Free Trade". Foreign investment would be subject to strict rules and trade tariffs would be instituted to protect domestic industry. However, the Alliance omitted from its manifesto its previous commitment to re-nationalise strategic resources and enterprises such as Telecom, restricting their position to "No more asset sales".

Despite having policies far more relevant to the immediate needs of the working class and the poor, the Alliance failed to make inroads into Labour's core constituency. Across the country the trend was the same. In the working class strongholds voters, whose prime concern was to chuck out National, voted Labour rather than change their electoral allegiance to Alliance.

Labour's late surge in the polls came largely at the expense of the Alliance. Early in the campaign many commentators thought Labour was out for the count especially when at one stage its poll rating dropped below the Alliance, putting it in fourth place. But key turning points in the campaign for Labour were the entry of former leader Mike Moore into the campaign.

Since his ousting by the present leader Helen Clark they had been bitter rivals. His support gave the appearance of a united party leadership. The shoring up of the strategic alliance with the sell-out leadership of the Council of Trade Unions (CTU) helped further.

Labour soon came to appear as the only party which could get rid of National. This image was strengthened by the Alliance's intransigence on coalitions, which cost them dearly. It might have sounded very principled of the Alliance to maintain they would not be part of any coalition arrangement unless its programme was agreed before the election, whereas Labour said they would not agree to anything until after the election. But this refusal actually left the Alliance high and dry. To rule out, in advance, a coalition with Labour was sectarian in form and opportunist in content since it effectively let Labour off the hook and gave them an alibi for jumping into bed with New Zealand First.

This undoubtedly had an impact on working class voters. Why should they waste their vote on a party that will have no chance of implementing its programme after the election? Instead of fighting to commit Labour to a united front to defeat National at the polls, and publicly demanding key pro-working class measures as the basis of a coalition with Labour after the election, the Alliance sidelined itself. The aspirations of workers for such a coalition was obvious; a poll concluded that 70% of Labour supporters and 60% of Alliance



STUDENTS FIGHT BACK AGAINST EDUCATION CUTS

supporters wanted just this. This pressure was reflected by statements from various union leaders, including both the CTU and TUF. But it all came to nothing.

The failure of Labour and Alliance to forge a "left" bloc between their parties meant working class voters were not faced with a clear alternative - a united front of the reformist workers' parties against the open bosses' parties. This failure allowed the right wing populist Winston Peters to present himself as the only alternative to National and even as a saviour to workers and Maori.

What the latest election results really show is the terrible inadequacy of left reformism when it comes to defending the interests of the workers. This is the lesson workers and socialists, not just in New Zealand but in countless other countries, need to learn. It is a stark warning, for example, to Arthur Scargill's Socialist Labour Party (SLP) in Britain which, like the New Labour Party in New Zealand, is a response to a particularly right wing Labour leadership (although ironically it is Blair, in Britain, who dubs himself "New Labour"). And like the NLP the SLP broke with the right but its leadership retained their commitment to a reformist strategy. You cannot break workers from reformism by offering them a variation of it and pretending that it is a qualitative alternative.

The latest election results in New Zealand demonstrated the inability of the Alliance to effectively challenge "free market" Labour for the leadership of the workers' movement. Having already trimmed their programme (on renationalisation and other key issues) to make it more like Labour's they failed to recognise that what the working class needs is more than a manifesto of reasonable reform promises "if we are elected" but a workers' action programme for the entire labour movement to fight for, starting from the immediate demands workers need now but leading to a struggle for working class power and revolution.

Such a programme must include, the immediate and total repeal of the ECA and all anti-union laws, a massive job creating scheme of public works paid for by taxing the rich, a sliding scale of wages and a minimum wage, a benefit, allowance and pension you can actually live on, free quality housing, healthcare and education and the renationalisation, without compensation and under workers' control, of every industry sold off to the privateers.

The Alliance's slick manifesto full of attractive slogans and promises does not change the simple fact that it is a reformist party which does not dare to challenge bosses' hold over the New Zealand state, whoever is in government. It doesn't point the way towards an alternative state based on the organisations of the workers themselves – workers' councils and a workers' militia. Nor does it call into question the capitalist system. There is yawning gap between this manifesto and what workers, Maori, women and youth actually need to combat unemployment, bad housing, the soaring cost of living, education and healthcare.



A PROMISE YET TO BE TESTED

The problem with the Alliance manifesto (apart from the inadequate nature of its reforms) is that it is not a fighting programme that its members take into the working class on a day to day basis. Nor is it a basis for organising the forces we need to reverse the defeats of the past decade. The battle to win the working class from Labour cannot be won at the ballot box because it is a fight to break the masses from a passive waiting for governments to deliver reform "from on high".

This battle must also be fought in the streets, on the picket lines, on the protest marches wherever the working class, youth and oppressed mobilise. While the Alliance has made stands against council housing sales and organised a petition against the forestry sale it is still a party committed mainly to electioneering rather than activism.

It is rarely seen on the picket lines or openly supporting strikes and union struggles. Because the Alliance is trapped within the confines of left reformism it cannot and will not base itself first and foremost on the needs of our class against the dictates of New Zealand bosses. It still talks of an "efficient" economy, and even of protecting and preserving the profits of the bosses before any talk of reform.

What is the Alliance?

If we look at its roots, class base, informal links to sectors of organised workers and its history and political development then we have to say the Alliance is, despite its peculiarities, what Marxists term a bourgeois workers' party. It has no significant sector of the New Zealand bourgeoisie within it nor any significant bourgeois figures in its ranks. Thus it is wrong to characterise it as a popular front. Its "alliance" with the bourgeoisie is a concealed one, as is the case with Social Democratic, Labour and Stalinist parties around the world. It is concealed by its formal political independence and claim to fight for reforms in the workers' interests.

Yet as we have shown its programme does not call for a break with the capitalist state but rather its reform. It is a party which, in the final analysis, serves the bourgeoisie – as do all reformist parties. But if the Alliance is a bourgeois workers' party this does not mean that it is identical to the LP. Clearly it is not. It lacks the old union affiliated structure. But as a separate political formation with origins in the political labour movement it represents the "Labourism" of old.

On the other hand, it has within its ranks labour movement, community, student/youth and single issue activists. It is capable of organising and participating in, campaigns and protests in the interests of the working class, Maori, gays and lesbians, the environment and youth. It enjoys active and passive support from a layer of both the rank and file and bureaucracy in the trade unions, but "official support", in the form of affiliations, from none. In short it is an integral part of the New Zealand labour movement.

This obliges revolutionaries in New Zealand-Aotearoa who want to really fight reformism, not simply to try to kill it with (impotent) curses, but to operate a whole series of united front tactics towards it.

These are aimed at breaking away those workers who vainly look to it for leadership to a real revolutionary socialist alternative.

Our goal, in uniting in action with the reformist parties and their workers, including in united electoral action, is aimed at building such an alternative, at winning the allegiance of the working class to a revolutionary programme. This is what Workers Power New Zealand/Aotearoa is fighting for.■

What the latest election results really show is the terrible inadequacy of left reformism when it comes to defending the interests of the workers.

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BREAKING FROM MORENOISM

The PTS and Argentine Trotskyism

by Dave Stockton

THE PARTIDO DE LOS Trabajadores por el Socialismo[1] (PTS) originates in the expulsion of 400-600 members from the Moviemiento Al Socialismo[2] (MAS) in 1988.

Based primarily in Buenos Aires and consisting mainly of student activists, the expelled group was led by four MAS Central Committee members, including Emilio Albamonte and Hugo Ramirez of the current PTS, and one International Secretariat member of the LIT[3], Leon Perez.

The pretext for their expulsion was their opposition to the MAS leadership's decision to form an opportunist bloc with the local Stalinists in the 1988 Argentine elections at a time when events in Eastern Europe and the USSR required a more, not less, sharply critical attitude to the Stalinist bureaucracy. The TBI[4] (as they were then called) had not developed beyond this partial and conjunctural criticism before their expulsion.

As a prematurely expelled tendency the TBI proved to be a politically heterogeneous grouping. Between 1988 and 1990 the PTS suffered three splits. The first was a split by a section of the student membership which returned to the MAS. The second was a split to the British Workers Revolutionary Party (*Workers Press*). The third was precipitated by the defection of Leon Perez who departed on a mini-mass party building project with ultra-left perspectives.

By 1991/2 these splits had reduced the PTS to around 150 members. Nevertheless, this period proved to be an invaluable one of ideological delimitation and political definition. The PTS still considered themselves to be an unjustly expelled public faction of the LIT, to which they demanded re-admission with full rights to argue their revolutionary case against the LIT leadership's centrism. They did this in concert with smaller groupings in Chile and Mexico which joined with them to form the Internationalist Faction (IF).



NAHUEL MORENO

In polemics with the LIT they elaborated the main aspects of their politics. By the end of this period the PTS no longer considered themselves as left Morenoites (named after Nahuel Moreno, the recently deceased leader of the LIT), trying to return to a previous revolutionary phase of their tendency.[5] From this political base they set out to concentrate on youth work and develop work around a few key industrial plants where they had members or sympathisers.

By the end of 1995, when discussions began in earnest with the LRCI, the PTS had grown again to around 350 members including about 80 members of a politically affiliated, but organisationally autonomous, youth group JIRTE[6] This figure also included around 100 university members organised around the journal *En Clave Roja*. The membership included unemployed workers, teachers and other public sector workers (including nurses) and a number of industrial workers, from engineering and other trades, most importantly in the shipyards of La Plata[7] where they organised a joint trade union list with other sympathetic militants.[8]

While over half the membership is concentrated in Buenos Aires there are important branches in Matanza, La Plata, Córdoba, Rosario and Neuquén. Half the membership are women and about three quarters are in their twenties. Up to October 1996 the PTS had published 100 issues of a fortnightly 12

page paper Rebelión de los Trabajadores (RT) and six issues of a theoretical journal, Estrategia Internacional.[9]

The PTS critique of Morenoism and the history of the FI

During the years 1993-95 the PTS deepened its critique of Morenoism. An article published in 1995 aimed to, "draw us closer to a revolutionary programme and theoretical demarcation against the current from which we originated . . ."

While starting with a critique of the policies of the MAS since the Malvinas War and the downfall of the military regime (1982-3) they insisted that:

" . . . in our understanding there were other errors and capitulations before those of this period, and that without doubt they were undertaken in the face of the sharpest points of the Argentine working class struggles. These were, without any room for doubt, those that occurred during the 'Peronist resistance' to the gorilla coup of 1955; in the revolutionary period opened by Cordobazo and that would end—not before one of the greatest actions of the Argentine working class: the general strike known as 'Rodrigazo'—with the smashing of the masses by the semi-fascist coup of Videla . . . "[10]

In each of these periods Moreno was guilty of adaptations to the Peronist trade union bureaucracy and thus to left-Peronism.

Running throughout this centrist history of Morenoism, the PTS argued, was Moreno's brazen revision of the theory of Permanent Revolution, his explicit rejection of the leading role of the working class and its revolutionary party in the struggle to accomplish revolutionary democratic tasks and his rejection of the centrality of soviets in the struggle for power:

Moreno's reasons for rejecting these essential elements of Leninism and Trotskyism lie in a chronic objectivism. Moreno states that:

" . . . the objective force of the world revolution, combined with the crisis of leadership in the world proletariat and the insoluble crisis of imperialism, enables the February/national type revolutions from which the theory [of Permanent Revolution] was drawn, to go further; that petit bourgeois parties may take the power and initiate socialist revolution."[11]

He therefore concludes:

" . . . it is not necessary that it is the working class and the revolutionary Marxist party that may lead the process from democratic to socialist revolution."[12]

The PTS show how this false objectivism, which transforms the conscious political tasks of a revolutionary party into a spontaneous process independent of such a party, is identical to the centrism of Andrés Nin and the Spanish POUM which Trotsky polemicised against in the 1930s. They expose the vulgarity of Moreno's characterisation of the objective process as the historical locomotive which either stops at, or goes full speed through, certain stations.

If it stops at the station of bourgeois democracy then we have a "democratic revolution". Moreno gives the example of the Second World War which, in Western Europe, resulted in an "anti-fascist democratic revolution". However, if the train rushes through that station then we have a "socialist revolution" regardless of who the train driver is—as was the case in the post-war states taken over by the Stalinists.

Moreno and the MAS's replacement of Permanent Revolution by an automatically self-extending "democratic revolution", one leading to a "workers' and peasants' government" composed of coalitions of reformist and even bourgeois parties, is integrally linked, say the PTS, to Moreno's open rejection of the strategy of soviets. In an article co-signed with Miguel Romero, Moreno states:

" . . . soviets were a feature of the revolutions after the First World War, but after that they have been the exception, or simply have not re-emerged".

In contrast to this rarity, petit bourgeois leaders of the workers and peasants have come to the fore in all revolutions since then. The conclusion of Moreno and Romero is that, "for us the slogan of the Workers' and Peasants' government, is the main political slogan", one which "constitutes the central aspect of all revolutionary politics". Clearly, this replaces the strategic centrality of the soviet with the episodic tactic of the workers' and peasants' government turning both Leninism and Trotskyism on its head.

The PTS correctly insist:

"The workers' councils (soviets) ended up being established in the revolutionary Marxist programme . . . as the most finished form of organisation of the revolutionary masses, an organisation on the basis of which can be constructed a new state on the day following the destruction of the old bourgeois order. Nevertheless, Morenoism is a current that has persistently denied . . . this fundamental aspect of Trotskyist politics."[13]

The conclusion of the PTS is that the overt revisionism of the 1980s represents the hardening or crystallisation of Morenoism into centrism:

"If in the earlier periods we can speak of serious political mistakes of a party with strong centrist traits, with the theory-programme of the "Democratic Revolution" of the MAS, one enters into the terrain of open theoretical revisionism and crystallised centrism."[14]

The LRCI appreciates the seriousness of this critique of Moreno's objectivism (processism) which coincides with the critique which we have made of post-1951 degenerate Trotskyism. since 1983.[15]

The weakness of this critique, in our view, is that despite its recognition of Moreno's errors in the 1950s and 1960s it still gives too great an emphasis to the rightward degeneration of Morenoism in the 1980s and implies continuing illusions in the "left" Morenoism of the late 1970s and early 1980s. This is the period of Moreno's polemics with Ernest Mandel and Pierre Lambert. For example, the PTS have claimed that a "principled thread of continuity" within the post-war Trotskyist movement can be seen in "the fight between the North American SWP and the PST of Argentina against the diversion into guerrillaism in Latin America led by Mandel"[16], as well as the lessons drawn by the Morenoite current from the Portuguese revolution.

While it is certainly true that Moreno was able to adopt a left stance vis-a-vis these tendencies (which he was in an unprincipled bloc with up until the two splits in 1979 and 1981 respectively), his "leftism" was neither consistent with his past theories nor manifest in his own practice.

Sometimes Moreno's errors had an adventurist or ultra-left character rather than a right opportunist one. But, they still propounded a false strategy and a distorted programme.

The LRCI does not believe that the PST was Trotskyist "with centrist traits" but a centrist party with Trotskyist vestiges, or more correctly in Trotskyist disguise. We believe that the errors of Moreno were no less fundamentally centrist. Sometimes these errors had a sectarian, an adventurist or an ultra-left character rather than a rightist opportunist one. But, nevertheless, they propounded a false strategy and a distorted programme.

They were often so tactically ultra-left towards the mass workers' parties that they strengthened the latter's hold over the mass of the workers and isolated the vanguard from them. The overall "leftism" of those who called themselves Trotskyists in the 1970s was the product of the objective situation of revolutionary upheavals in the semi-colonial world and of severe class struggles in the imperialist countries as well, a process which pushed some Stalinist parties to the left too.

What was positive in the years 1968-74 was the radicalisation of tens of thousands of workers and youth. These fresh, subjectively revolutionary forces forced the stagnant pseudo-Trotskyist right centrist groups of both the USFI and IC traditions to the left. It was not the remaining features of "Trotskyism" in these parties which created this mass movement. It was the mass movement which discovered and revived isolated revolutionary aspects of historic Trotskyism within these organisations. But the inveterate centrist leaderships of these "parties", which the workers and youth could hardly be expected to overthrow spontaneously, eventually wasted and dispersed this tide of revolutionary

consciousness.

What was most positive in these years is that some groups of cadre recognised that a fight was necessary against the centrism of these leaders. The LRCI owes its own origins to these developments just as the PTS owes its origins to a reaction to the opportunist turn of Morenoism in the mid-1980s.

The fact that the leading cadre of the PTS came into political activity during Moreno's leftist period, and that they were steeled by a period of struggle under the military dictatorship but then witnessed Moreno's rapid rightwards evolution in the mid-1980s, probably accounts for their overestimation of this turn as the decisive one into "crystallised centrism".

We believe that the PTS has yet to resolve its view of the rest of the fragments of the Fourth International (FI). At one level they correctly recognise that, "none of the divided Trotskyist currents found itself capable of overcoming their centrist conceptions and adopting a revolutionary strategy"[17]

Yet at the same time the PTS repeat the elision between healthy positions held by the increasingly disoriented, but still revolutionary, FI between 1944-48 with positions adopted by rival centrist fragments of the FI in the 1950s.

So, for example, it is false to identify "the formation of the IC in the face of the Pabloite orientation towards sui-generis entryism into the Communist Parties"[18] as a point of principled opposition.

The opposition of the SWP(US) and

It is false to identify the formation of the IC in the face of the Pabloite orientation towards sui-generis entryism as a point of principled opposition.

Britain's Gerry Healy to Pablo was over the form of proposed entryist liquidation not the content. Healy, for example, was determined on maintaining his gross opportunism within the British Labour Party (1948-54) and resisted compulsory entryism into the British Communist Party. Healy and Cannon had accepted the perspectives and programme that underlay the entryism sui-generis two years before the formation of the International Committee.

Elsewhere, the PTS assesses the growth of "Trotskyism" in both its USFI and IC forms in the years 1968-74 too uncritically, citing the daily papers of the LCR and the WRP; the "strong vanguard parties" built in these years such as Moreno's PST or the USFI's PRT in Mexico.

We believe that if the PTS applies the method it used on Morenoism in the 1980s, measuring all the post-1951 "FI" currents they will discover the same fundamental revisions and crimes repeated over and over again. and not the "many politically correct and principled fights in the heart of Trotskyism" or "principled threads of continuity".[19]

The PTS and the "new world order"

The PTS/IF's analysis of the significance of the historic events of 1989 and the original revolutionary impetus for change in the Stalinist states constitutes a major area of agreement with the LRCI. Both tendencies rejected the ultra-pessimistic outlook of the Stalinophile trends within degenerate Trotskyism who saw in the movements for democratic rights and national freedom in Eastern Europe and the USSR simply movements for counter revolution and capitalist restoration.

But the PTS/IF also rejected the facile over-optimism of the Stalinophobes who uncritically regarded those movements as the full reality of the political revolution. Such tendencies failed to observe the negative effects of 40-70 years of Stalinist repression on the consciousness of the masses. They overlooked the impact of the crisis of leadership, including the absence of a revolutionary Trotskyist international organisation able to intervene to help the Russian and East European workers create a revolutionary leadership.

Enormously positive too is the PTS/IF's recognition that the "New World Order" is, in reality, a world of disorder, instability and crisis which provides real opportunities for revolutionary organisations to grow. But the PTS/IF also understand the obstacles that stand in the way of such opportunities being taken

Another important area of agreement with the LRCI is the recognition that the post-1989 Stalinist states remained workers' states despite the ousting of the Stalinist parties from power. Both tendencies agreed that after five years or more the process of capitalist restoration had not been completed anywhere (except in East Germany) and that this process was encountering serious difficulties that could still call forth new struggles by the working class.

For both tendencies to agree on this, and to use similar terms to describe these states (moribund workers' states/workers' states in decomposition), certainly marks out the Trotskyist Faction (TF)[20] and the LRCI as being closer to each other on the test of these key world events than to any other tendency of which we know.

There are, however, differences in respect to the causes of the crisis and downfall of Stalinism as well as the nature of the obstacles in the path of completing capitalist restoration. The PTS/TF identified the developing economic crisis of the workers' states (the root cause of the collapse of 1989) as a product of the bureaucracies' various attempts to make the workers pay the cost of Stalinism's economic failures. The LRCI agrees with this. But the PTS/TF, in our view, over-emphasise one factor - imperialist pressure. They state that "Yankee imperialism" "brought its crisis into the heart of the workers' states"[21]. Increased indebtedness to imperialism and the pressure of the arms race are cited as examples of this.

Certainly this was a vital factor in bringing the crisis to an explosive head in the 1980s. But it is not a sufficient explanation for the crisis. The stagnation in the economies of the workers' states began long before this period of imperialist pressure. Our view is that the root of the collapse lies in the internal contradictions of the Stalinist system of bureaucratic planning itself.

The USSR and Eastern Europe failed what Trotsky called "the fundamental law of history—in the end that regime will conquer which ensures human society a higher economic standard."[22] The bureaucracy attempted to plan the use of economic resources first and foremost to provide for its own privileges and for the enormous police/military apparatus to conceal and defend them, while simultaneously depriving the working class of any means of determining the plan.

For decade after decade, the promised transition to socialism and communism failed to materialise. Gradually the developmental dynamism of the first few decades of the original economic conquests was undermined. The working class—despite its initial enthusiastic mobilisation to achieve economic targets—was more and more alienated from its "own" relations of production.

The system of bureaucratic planning suffered from a secular decline in productivity. Once this was recognised by the nomenklatura[23] factions of the once confident bureaucracy, suggesting major "market reforms", made their appearance. Factional struggle from the 1960s to the 1980s led the bureaucracy to experiment with far-reaching concessions to the market in an attempt to dynamise the economy.

We think that the PTS/FI insufficiently recognised the differentiation within the bureaucracy. They suggest in the *Nine Theses* that Gorbachev, after launching the policy of perestroika, was the leader of an "open capitalist restoration" faction in the USSR. The LRCI disagrees with this assessment. In 1987 the LRCI argued[24] that Gorbachev represented a belated "market socialist" response to the crisis of bureaucratic planning, a response that we had seen in Hungary and the CSSR (1968) and Yugoslavia (1965).[25]

But the crisis of the USSR's economy was too deep, and the obstruction of the Stalinist command planners too great, for mere "market socialist" mea-

sures to work. Yeltsin represented the (openly pro-imperialist) faction of the bureaucracy that broke with the nomenklatura and, in alliance with imperialism and social forces in the USSR outside of the ruling bureaucracy, urged a speedy, big-bang rush for capitalism. A large and influential sector of the intelligentsia and entrepreneurs in "civil society" existed which served as an important starting point for the restoration process after 1989. Gorbachev, as a weak bonaparte, merely prepared the way, unleashing forces he could neither control nor ultimately arbitrate between.

With regard to the prospects for the restoration of capitalism the PTS overestimate the strength of the working class now that Stalinism has been overthrown. There are many objective difficulties facing the imperialists and native pro-bourgeois forces in the moribund workers' states in Eastern Europe and Russia. Working class resistance to the destruction of social welfare and prospect of mass unemployment is one.[26] The PTS see the main obstacle, at least outside Eastern Europe, as the strength of the labour movement:

"For this reason we also oppose those who believe that capitalism can be restored in Russia and China without fierce battles between the classes."[27]

Russia and China are at very different stages of the restoration process and their "models" of restoration cannot easily be compared. In the case of Russia the major working class strikes (e.g Russian miners) took place in 1988 and 1990, before the collapse of the CPSU.

Yeltsin secured total power in 1991-93 during which time he provoked a huge economic slump that destroyed savings, reduced real wages to 50% of the 1991 level and privatised the bulk of industry which passed the ownership of most enterprises into the hands of managers and workers.

Unionisation levels fell away and the miners' union became co-opted into the Yeltsin camp. The bureaucracy of the official trade unions gradually became incorporated into the managerial elite, thereby emasculating them as instruments of class struggle against restoration. To date the Russian workers have not found a vehicle for generalised resistance, protest being confined, by and large, to sporadic warning strikes against non-payment of wages.

The atomisation of working class consciousness in Russia is virtually total as a result of nearly seventy years of Stalinism and the unparalleled destructiveness of the of the purges. Will they be able to resist mass unemployment in the next period? We can refer to the experience of Poland, which underwent a similar economic catastrophe in 1990/91. And Poland's workers had the advantage, in terms of self-organisation as a class, of the mass strikes of 1956, 1970, 1980-82, and of maintaining an underground Solidarnosc and winning its legalisation in 1989. Even with this background, the major strikes of the Polish workers in 1992/93 were against wage ceilings not mass sackings. Moreover, in Russia there is already hidden mass unemployment. But the social welfare system has not been reorganised to make this visible and official. Millions of workers remain attached to idle factories since this gives some access to some food rations and healthcare provision.

The major obstacles to restoration in Russia are, unfortunately, ones of constructing a stable capitalist state machine that can act as an executive committee of a fractious embryonic ruling class and breaking the resistance of the newly privatised factory managers to consistent commercial behaviour.

While these difficulties do allow for the working class to rouse itself into opposition to the remaining stages of the process, it will not do so simply out of spontaneous resistance to mass sackings, which in reality have already taken place. To generalise, we can say that the impact of the deep economic slumps in Eastern Europe and Russia early on in the transformation process provoked mass resistance but also broke it. Mass resistance in the future is likely to be the result of the difficulties of semi-colonial capitalism and sharpened levels of social inequality that flow from this.

Can we observe a common thread in the pre- and post-1989 perspectives that may account for these differences? If so it probably lies in the fact that the PTS/TF has, in our view, inherited from Morenoism (and indeed the whole IC tradition) an exaggerated view of the homogeneity of Stalinism inside the workers' states and of its hegemony and strength in the world labour movement. This is accompanied by a one-sided a view of the role of the apparatus of Stalinism as the chief agent of imperialism in the world.

In the latest issue of Estrategia the PTS argue that in the post-war period (pre-1989) "the Stalinists, Social Democrats and bourgeois nationalists were able to hold the masses back behind a reformist strategy"[28] which tied the revolutionary process up in a "straitjacket". Of these three political and ideological forces Stalinism was by far the strongest:

" . . . the mediations that are growing today (Islam, recycled Stalinism, various popular currents etc) are much weaker than the apparatus controlled by the bureaucracy of the Kremlin."[29]

For the PTS the failure of imperialism to make some of its counter-revolutionary settlements and peace processes stick is due to the lack of weight these non-Stalinist forces have in the working class and popular movements.

Imperialism is aware of the dangers in destroying all its agencies for class compromise inside the workers' movement and relying solely on open bourgeois forces. It needs post-Stalinist parties and ex-Stalinist social democratic parties and trade union bureaucracies to divert struggles. The events in 1995 in France show how, despite the low numbers in trade unions in France, the trade union bureaucracies were able derail the movement towards a general strike.

The danger now is to believe that because Stalinism has fallen there is little to prevent workers' spontaneous struggles reaching a very high level of generalisation. This leads us to the PTS's assessment of the world situation after 1989.



PERON SPEAKS TO THE MASSES. PERONISM STILL GRIPS THE ARGENTINE TRADE UNION MOVEMENT

A world pre-revolutionary situation?

In an article in Rebelión in 1994 the PTS says that:

" . . . a new period of imperialist decay and the world pre-revolutionary situation (that opened in 1989 with the fall of Stalinism) marks a new opportunity

to overcome the crisis of working class leadership."[30]

Earlier in the same document it says that "the flight of the arrow follows . . . a rising revolutionary curve."

We feel there are two problems with such a summary of the world situation. The first concerns the use of the term "pre-revolutionary situation"; the second returns us to the question of Stalinism.

The LRCI described the events of 1989 as "an historic turning-point". The crisis that began in 1989 constituted a more widely generalised revolutionary situation, from East Germany to China, than had existed at any time since 1945-48. Despite the historic lost opportunity of political revolution in the years 1989-90 we believe that, in the medium to long term, the new period opened up by these events is one of greater instability than the forty five years after the Second World War:

- because all the major imperialist powers are still locked into in a 25 year long period of depressed accumulation;
- because inter-imperialist rivalry and regional bloc formation will grow, once robbed of the unifying "Communist Threat";
- because Eastern Europe and the CIS states are still more a source of instability than profit.

For these reasons, in the decades ahead, we recognise that the struggles in all parts of the world will be more inter-linked than at any time since 1945-48. Since 1991 the LRCI has recognised that we have entered a period which will be marked by deeper revolutionary crises than those which characterised the 1949-89 period.

But does this mean that we are in a "world pre-revolutionary situation" now?

We agree that we are faced with imperialist disorder in world politics. Events in Bosnia, in Afghanistan, in the Middle East and in Africa all bear this out. We agree that the ability of imperialism to expand economically is severely limited. We agree that this points in the general direction of future revolutionary struggles. But to recognise such trends within the present period is not the same as characterising it, on a world scale, as pre-revolutionary now.

A global pre-revolutionary situation would only be likely in the event that capitalism suffered an overthrow in at least one important country - imperialist or semi-colonial. The PTS have, rather, suggested that the pre-revolutionary situation opened in 1989 and that this has led:

" . . . in a slow, delayed, tortuous and unequal way to an explosive wave of processes developing as far as the West."[31]

The PTS describe the character of the struggles of the new world order thus:

"They manifest themselves in the form of basic struggles, mostly spontaneous (the continuity of the Intifada until its deactivation with the signing of the 'Peace Accord', the anti-Poll Tax revolt in Britain in 1991, Los Angeles in 1992, Santiago del Estero and the later Argentinian revolts in 1994 and 1995, the peasant revolt in Mexico, etc.) . . .

"We are witnessing a slow but insistent increase of real proletarian activity, whose maximum expression was the general strike of the French service workers in November-December 1995. There were similar important manifestations in the battles led by the reanimated working class of the Southern Cone of Latin America. Direct workers' actions were combined (the petrol workers in Brazil, the general strikes in Bolivia and Paraguay, many demonstrations which confronted the 'charra' bureaucracy in Mexico on the First of May this year, etc.) with others which were a mixture of revolts and workers' action (for example, the revolts of the state employed workers in the Argentinian provinces) and important actions of the peasant movements (many demonstrations and land occupations in Paraguay, actions of the 'Sem Terra' of Brasil, etc.).

"Besides, this is all an expression of the process of increased proletarian activity in workers' struggles (which ended up with the combative mobilisation of students) in South Korea, the strike waves that we saw in Greece, Denmark and Belgium, the current mobilisation of workers in Turkey, the workers' movement that toppled the government of Berlusconi in Italy and the strikes and demonstrations which took place in the different European countries against the 'austerity' plans imposed by the Maastricht Treaty."[32]

We do not dispute the fact that there are very important linkages and interconnections between struggles today. The unification of Germany in 1990 speeded up the process of EU integration, led to the Maastricht criteria for European Monetary Union and to a series of austerity packages throughout the EU which has heightened the level of class struggle.

Obviously the most important of these so far was the French strike wave of 1995. The 1992 constitutional crisis in Italy, based on the outcry against Tangentopli was also a product of the end of the Cold War leading as it did, within three years, to the collapse of Christian-Democracy and the transformation of the pariah PCI into the PDS as a party of government.

But the links between the struggles should not be exaggerated. Different struggles have different goals and achieve differing levels of generalisation. They do not constitute a single wave of undifferentiated proletarian revolt that would mark the period out as one that is pre-revolutionary on a world scale.

In the USA major strikes, such as the one in General Motors in 1996, are important defensive struggles but not yet examples of a class wide offensive heralding the transformation of the bal-



OUT GOING CGT LEADER GERARD MARTINEZ WELCOMES NEW TOP BUREAUCRAT RODOLFO DAER

ance of class forces. The Million Man March organised in 1995 by Louis Farrakahn does not represent, despite its formal similarity, an upsurge on the scale of the Civil Rights Movement of the 1960s or the Black revolt of the inner cities.

In Africa the defeats inflicted on the working class in Nigeria by repression, the Rwandan genocide and succeeding wars, and the triumph in South Africa of a democratic counter-revolution, have also weakened the capacity of the workers to wage offensive struggles (in the former cases physically, in the other ideologically). In Asia the sporadic struggles of the South Korean working class and the Indonesian and Burmese democratic struggles stand out, but they are not yet typical of the class struggle across the continent.

In Latin America struggles have erupted, particularly in Bolivia and Argentina, since the end of 1993. In Central America there was a revival during 1995 of struggles in the public sector as well as the Zapatista movement in Mexico. In Brazil the oil workers struck but suffered a defeat. In Nicaragua the Sandinistas have suffered a second crushing electoral defeat after abandoning nearly all their anti-imperialist rhetoric.

Last, but not least, the workers of the Stalinist states are still suffering the effects of atomisation in the aftermath of 1989 and have not yet founded truly independent and effective movements of class struggle capable of halting or even slowing the restoration process.

On the other side of the class struggle balance sheet we have to register the undoubted successes enjoyed by the bourgeoisie. These include the major victories won by neo-liberalism over the workers' movement in the 1980s - in the USA, Britain, Bolivia etc.

The effects of these defeats are both material (ending of economic and military support to anti-imperialist struggles) and ideological (the discrediting of Communism, Marxism, Socialism, etc). We have to register imperialism's military victories over the semi-colonies, such as in the Gulf War, and the imposition of reactionary peace deals - South Africa, Middle East.

We believe that revolutionary realism requires us to take into account the defeats suffered as well as the new struggles emerging. That is why the LRCI believes that from 1991 onwards we have been in a reactionary phase, a "democratic" counter-revolutionary result of the failure of the political revolution in Eastern Europe. The massive move to the right of the entire world labour movement, in Europe, Latin America, and Africa bears witness to this and is a product of it.

Despite our disagreement with the generalised label for the world situation given by the PTS, the comrades do recognise that the current crises and struggles are not linear or guaranteed to have progressive outcomes. They outline three alternative perspectives for the coming period. First, a "world crash" as a result of a financial crisis which would combine the intensified resistance of the mass movement with increased inter-imperialist conflict. The second alternative would be a generalised development of the present period of defensive resistance, above all in Europe as a result of Maastricht, which would "open up a popular and workers' counter-offensive like the period of 1968-76."[33]



BUENOS AIRES DEMO AGAINST EDUCATION CUTS

Revolutionary realism requires us to take into account the defeats suffered as well as the new struggles emerging.

Finally, "the last possibility (less probable) would arise through the generalisation of partial defeats like the war in ex-Yugoslavia combined with a consolidation and qualitative leap in the process of capitalist restoration in Russia. . . "[34]

This "would mean a historical retreat for the world working class which would be forced to resist in a much more adverse situation. This hypothesis would lead to a deepening of inter-imperialist contradictions in 'dividing up the pot', which leads us back to the first hypothesis but in much more adverse conditions for the proletariat and the exploited."

Here we are brought back to our points of agreement with the PTS/TF: we are in a world where the inability of imperialism to really or permanently restore order will take us towards more and more pre-revolutionary situations in countries most affected by the crisis over the coming years and that precursors of this, in the form of explosive defensive struggles against the bourgeois offensive, are already developing. For this reason two and a half years ago the LRCI recognised in its Third Congress Perspectives that:

"Taken together all these factors [description of elements of the crisis and world disorder] indicate that pre-revolutionary and even revolutionary situations will develop as the effect of the bourgeoisie's initial successes wears off. The developing synchronisation of a truly world arena of capitalism's historic crisis means that any serious victories will precipitate world pre-revolutionary situations in a way they did not in the period 1948-89."[35]

Tactics towards centrism

In their latest journal the PTS "affirm that the struggle for the reconstruction-refoundation of the Fourth International is a task which assumes absolute relevance."[36]

They do so for three reasons.The first we have already dealt with—the false belief in "principled threads of continuity" in post-1951 Trotskyism. A further reason for seeking to rally vanguard forces for a revolutionary international with this slogan is:

" . . . because the historical premises on which the Fourth International were founded are still relevant. We continue to see an epoch of wars, crises and revolutions. Trotsky's definition of fascism and the popular front have as much relevance today as they did then, that they are extreme resources with which the bourgeoisie confronts the threat of revolution. The crisis of humanity continues to be centred around the crisis of leadership of the world proletariat."[37]

Surely, if the nature of the epoch is the reason for raising this slogan then it is also an argument for refounding the Third International. If the reason is more specific—that Trotsky's own contributions to Marxist theory and strategy remain valid—then we have to recognise that this legacy is also claimed by the centrists who originate in the collapse of the Fourth International after 1951. Centrism has carried out its errors in the name of these theories and under the banner of the Fourth.

Finally, the slogan has validity, according to the PTS, "because the building of a revolutionary leadership on an international scale could not emerge on anything other than the basis left by Trotsky and the Fourth International. No other political tendency has put forward any better revolutionary conclu-

LA VERDAD OBRERA (WORKERS' TRUTH) – PAPER OF THE PTS-LED NEW MOVEMENT



La Verdad Obrera

Y DE LA JUVENTUD EXPLOTADA Y OPRIMIDA

Publicación del Movimiento por un Nuevo Partido de Trabajadores Revolucionario
Impulsado por el PTS, el MOJUVOR y la Mesa de Agrupaciones Obreras

Despues del parazo, el gobierno contraataca

HUELGA GENERAL HASTA ECHAR A MENEM

y al plan de la patronal esclavista y el FMI

CORMEC

Los trabajadores de esta empresa dieron un importante paso adelante: tomaron la fábrica y echaron a la interna "flexibilizadora" de la UOM. Las lecciones de esta lucha tienen fundamental importancia cuando el gobierno intenta avanzar con su reforma laboral esclavista.
Página 5

Por qué sale **La Verdad Obrera**

Nueva publicación se propone unificar las luchas de los explotados contra todos los ataques de los capitalistas, del FMI y de la burocracia sindical. Es un periódico de la vanguardia obrera y de la juventud explotada y oprimida (LVO) es un nuevo periódico revolucionario que entra a la palestra con el objetivo de ser un factor de unidad entre los compañeros de la Mesa de Agrupaciones Obreras, los jóvenes revolucionarios que impulsan el MOJUVOR y los militantes trotskistas del PTS, para impulsar juntos la construcción de un Movimiento por un nuevo Partido de Trabajadores Revolucionario.

La Verdad Obrera y de la Juventud Explotada y Oprimida

Página 3

El 26 y 27 fue un parazo activo contra el gobierno y su plan.
El gobierno, apoyado por el imperialismo y la gran patronal contraataca.
El enfrentamiento se tensa: de un lado el imperialismo y el gobierno. Del otro, la clase obrera y los sectores populares.
Después del paro hay que levantar una lucha abierta, decisiva, con objetivos claros. Hay que romper la trampa de la burocracia e impedir que la gran acción del 26 y 27 sea despilfarrada en negociaciones estériles o en el camino patronal de la Multisectorial. Hay que luchar por imponer un **Congreso Nacional de Delegados de Base de las Organizaciones Obreras, el Movimiento de Desocupados y demás organizaciones de los trabajadores y el pueblo que prepare un plan de lucha y la Huelga General hasta echar al gobierno y el plan de la patronal esclavista y el FMI e imponer un plan obrero de emergencia.**
O gana el gobierno y el plan del Banco Mundial o ganamos los trabajadores. O ellos o nosotros.

Páginas centrales

sions to those contained in the Trotskyist programme."[38]

Here the PTS lapse into the mistake of the "orthodox Trotskyists" of the IC tradition. The PTS assumes that the "Trotskyist Programme" lies in pristine condition waiting to be reclaimed by its rightful owners, set aside and ignored by 50 years of centrism. Not at all. This programme has been used and abused by the Fourth International and no other. We cannot "return" to the *Transitional Programme* any more than Trotsky could "return" to the programme of Lenin's Comintern or the *Communist Manifesto*.

Trotsky's work, his fight and his International form part of our revolutionary heritage, just as much as Lenin's revolutionary Third International does. But just as Trotsky broke with the Third when it was still a centrist International because it could not be used for revolution, so today's revolutionaries base themselves on this heritage and move on.

The "Fourth International" cannot be written to, visited or debated with; it has no fixed address because as a single unified organisation it ceased to exist in the 1950s. The organisational disintegration and splintering of the FI expresses its programmatic degeneration. This cannot be reversed by reconstructing the fragments into a whole. For this reason we talk of the refounding of a Leninist and Trotskyist International on a renewed programmatic basis.

The slogan "reconstruct the FI" has been common amongst groups within the IC tradition since the 1953 split. It indicated that despite all the criticism of "Pabloite revisionism" its members did not regard the split as definitive nor themselves as the continuity of the FI. It is no surprise that the IC groups never created a democratic-centralist FI but contented themselves with denouncing revisionism and calling for "reconstruction", i.e. the putting together of the pieces, usually on the conservative ("orthodox") basis of a "return" to the *Transitional Programme*. This was the common view when we first published *The Death Agony of the Fourth International and the Tasks of Trotskyists Today* (January 1983).

We posed things differently. We held that the fundamental task was to re-elaborate the Transitional Programme so that it provided an operative basis for an international tendency. We hoped to do this in common with other tendencies. Most tendencies, however, denounced us as revisionists for suggesting that the Transitional Programme was not "valid today"—a perfectly adequate basis for reconstructing the FI. Today, hardly a shred is left of this attitude . But also most of the groups who held it have disintegrated, collapsed into the USFI or accommodated to Stalinism, Social Democracy or like WRP (*Workers Press*) dissolved themselves into a mish-mash coalition of greens and semi-anarchists.

Despite the fervour of the PTS for using the slogan of reconstruct-refound the FI as a rallying call, in launching *La Verdad Obrera* in September this year the PTS set aside the slogan of founding this new party as an Argentine section of a "refounded" Fourth International; it finds no place in the draft programme of the new movement. Why?

This will be kept as the private opinion of the PTS to be used as a weapon only against the fragments of "Trotskyist" centrism internationally; but meanwhile the Argentine workers are told to "fight for the construction of a world party of revolution"[39]. But what number or name shall this be and what shall its relationship be to the Fourth which the PTS advocate elsewhere be refounded or reconstructed? And if the Argentine workers are asked to join the struggle for "a new revolutionary workers party" in Argentina then why not a new International of which this party is but a component?

If the name and the number are not decisive in Argentina then why are they decisive outside Argentina? And if not in Argentina, which has a long tradition of "Trotskyist" parties with influence in the working class, where else can it be more relevant?

In essence the only reason must be that the Fourth slogan is aimed tactically and narrowly by the PTS at the rank and file of centrist groups of Trotskyist origin. But for us, the task is not to "reunify" or "reconstruct" the FI out of the degenerate fragments of Trotskyism but, rather, to rally the best elements within those fragments and outside them to a new, unspotted programmatic banner.

In the first place, this means that genuine Trotskyists must set as their central task the re-elaboration of the Trotskyist programme, refocusing it towards the new period of economic and political crisis that has opened up in the 1970s and 1980s For all these reasons the task facing us is to create a revolutionary International once gain — a new International — linked programmatically to, and in full continuity with, Trotsky's Fourth International and Lenin's Third and based on a re-elaborated Transitional Programme.

The PTS/TF-LRCI discussions

The PTS/TF is the only avowedly Trotskyist grouping, known to us, which has evolved resolutely leftward, towards genuine Trotskyism since the great turning point of 1989. Such a new trend, if it develops over the coming years, can lay the basis for the refoundation of a new revolutionary international in the longer term, a vital task for the new millennium. But this should not be confused with the widespread "rethinking" of the fundamentals of Leninism and Trotskyism and regroupment projects which reject both a common programme and a common discipline (democratic centralism).

The inspiration for these "new ideas" invariably turns out to be not new at all but warmed over Bernsteinian Revisionism, Menshevism, etc. What does need to be revised today is not the genuine legacy of Lenin and Trotsky but the terrible falsification of it, peddled by the Stalinist parties and the pseudo-Trotskyist parties and Fourth Internationals, as well as the national sects that have dominated the Left for over forty years during the prosperity of the long boom and the heyday of world Stalinism.

The importance of the PTS is that it developed its trajectory towards genuine Trotskyism in conditions when the general evolution of the large "Trotskyist" groupings has been clearly and consistently rightward.

The PTS is also the only fighting propaganda group which stands as equal in size to the largest "Trotskyist" organisations in its own country (MAS, MST and PO). It is an organisation which, having developed roots amongst youth and students over the last five years, is now striving to root itself in the vanguard elements of the Argentine working class presently fighting against Menem's vicious attacks on their economic and social conquests.

As a result of its programmatic work and its successes in party building the PTS is, we believe, also in a position to play a very important role in the creation of a new revolutionary International in the coming years.

In its latest journal the PTS express the challenge that faces our two tendencies very well:

"We are against any dogmatic perspective which while it proclaims formal adhesion to the principles and programmes left by Trotsky, in practice and in daily struggle, denies it. Every truly revolutionary tendency must base themselves on programmatic unity, treating the programme as the common understanding of all the revolutionary tasks. It is not enough to claim formal adhesion to the legacy of principles left by Lenin and Trotsky. In order to achieve this programmatic basis it is also necessary to reach a common understanding of the major historical events after the death of Trotsky and the degeneration of the Fourth International during the post-war period."[40]

To deepen fraternal relations to the point of fusion with the PTS/TF on this basis would be of immense significance to the LRCI and its project of building an international tendency capable of building a new International. For this reason considerable resources need to be devoted to achieving this in the years ahead.

In this process of discussion and shared experience the LRCI recognises that we have a great deal to learn since no section of the LRCI has reached a similar stage of party building. The considerable size and implantation of the PTS in youth work, in a smaller way in the unions (private and public sector) oblige it to undertake a considerable amount of systematic work in the day-to-day class struggle. In addition the political evolution away from degenerate Trotskyism (Morenoism in its Argentine form) obliges the leadership of the PTS to undertake a great deal of internal education and cadreisation to ensure that its young membership fully understands, approves and can fight for these ideas.

The PTS's latest turn, towards building a Movement for a Revolutionary Party[41] with its worker and youth supporters and allies on a new programmatic basis, is a major project. In our epoch, as Trotsky said, no new revolutionary programme can be developed on the national terrain alone. The discussions between the LRCI and the PTS on its latest turn demonstrate that both of our tendencies understand this very well. In the coming months we aim to build on these discussions so that advances made by the PTS turn in Argentina are matched by a firm advance towards regroupment between our tendencies internationally.■

LRCInet

revolutionary marxism online

http://easyweb.easynet.co.uk/~lrci

email:lrci@easynet.co.uk

FOOTNOTES

1 Workers Party for Socialism

2 Movement Towards Socialism.

3 International Workers League, founded in 1982, which the MAS was the leading and largest section of. See Trotskyist International No9 for a critique of the LIT and MAS in the 1980s.

4 International Bolshevik Tendency.

5 The launch of the paper Rebelión in 1991 to replace AS signified the new turn away from being an external faction of the MAS.

6Joventud de Izquierda Revolutionaria- Trabajadora/Estudiantil (Revolutionary Left Youth - Workers/Student)

7 La Plata, about 50 miles south of Bueons Aires, is the capital of the province of Buenos Aires

8 La lista marón

9 They have also produced a collection of articles from their paper between 1988-94 which summarises their critique of Morenoism over national and international issues. JIRTE produced an irregular paper *Hasta La Victoria*

10 "Notes for a history of Argentine Trotskyism", by Hugo Ramirez and Pablo Cortina in Estrategia Internacional no 4/5 July 1995

11 "The Strategy of Soviets in the Struggle for a Workers Republic", Emilio Albamonte and Fredy Lizarrague, in *Estrategia Internacional* No 4/5 p11

12ibid

13The Strategy of Soviets in the Struggle for a Workers Republic" op cit

14 ibid

15 See, *The Death Agony of the Fourth International*, Workers Power and Irish Workers Group,London 1982

16"By way of an editorial" in *Estrategia Internacional* No6 July 1996 p12.

17 ibid

18 ibid

19 ibid

20 The Internationalist Faction changed its name at an international meeting in January 1996.

21"Nine Theses on the Dynamic and Structure of the World Revolution" in *Estrategia Internacional* No3 1993 p?

22 ref

23 i.e.the ruling stratum of the bureaucracy responsible for appointments and the self-perpetuation of the caste.

24 "Theses on Gorbachev" and "Gorbachev and the Soviet Working Class" in *Permanent Revolution No6*, London, 1987

25 These measures involve the retention of central planning at least via banking but with market incentives and a degree of autonomy for the enterprises. See "Plan Versus Market", *Trotskyist Bulletin no9* London 1996

26 See "Understanding the restoration process" *Trotskyist International No7* and "On the brink of capitalism" *Trotskyist International 16* 1995. Unfortunatley the working class did not actively resist the break up of direct planning agencies during 1989-92, mistakenly seeing in these part of the apparatus of repression and impoverishment.

27 "By Way of an Editorial" op cit p10. It is not clear whether the PTS feel that such class battles lie ahead in central Europe, lie behind us or are not necessary for capitalism to be restored there. But articles written early in 1993 on Eastern Europe and Poland suggest that the same class battles were necessary. See EI no3

28 ibid p7

29 ibid. The comrades elsewhere repeat that today there is "a lack of a reliable agent of any weight in the heart of the masses comparable to Stalinism." ibid p8

30 "Post-1989", *Rebelión* No59

31 "By Way of an Editorial" op cit p6

32 ibid

33 "By Way of an Editorial" op cit p10

34 ibid

35 *Trotskyist International No 15, 1994* p5

36 "By Way of an Editorial" op cit p12

37 "By Way of an Editorial" op cit p12

38 ibid

39 "Declaration of Principles" adopted by PTS Open Congress that launched the new movement.

40 "ibid

41 See *Workers Power* No206 for an account of the Movement for a Revolutionary Workers Party and its new paper La Verdad Obrera

Marxism versus

Colin Lloyd examines the intelligentsia's latest challenge to Marxism



STUDENT REVOLT, PARIS 1994

"THE LAST few years have been marked by an inverted millenarianism in which premonitions of the future, catastrophic or redemptive, have been replaced by the end of this or that (the end of ideology, art or social class, the 'crisis' of Leninism, social democracy or the welfare state etc. etc.); taken together, all of these perhaps constitute what is increasingly called postmodernism."(Frederick Jameson)[1]

If there is a late 20th century *zeitgeist* – a spirit of the age which pervades culture, academic thought and politics – it is to be found in the ideas grouped under the banner of postmodernism. We could add to Jameson's list the idea of "post-industrial" society, chaos theories in science and, of course, the "end of history".

In social science, cultural theory, politics and philosophy postmodernism's enemy number one is Marxism.

Postmodernism is not yet the dominant form of bourgeois thought. But it is, increasingly, the predominant form of critical academic thought. A Marxist critique of postmodernism has to challenge its intellectual core and uncover its material roots. The aims of this article are: to summarise the theory which underpins postmodernism; to offer a Marxist critique of that theory; and to explain the material roots of its plausibility.

In social science, cultural theory, politics and philosophy postmodernism's enemy number one is Marxism. The old bourgeois liberalism – while it retained its predominance – lost its dynamism and coherence with the onset of the crises of the late 1960s and early 1970s. In the 1970s Marxism – albeit in a variety of academic forms – was the main methodological standpoint adopted by those searching for a coherent critique of modern society.

Today, in the English speaking world, Marxism has been virtually banished from the universities. A whole generation of academics has "converted" to postmodernism. Among students there is little knowledge of Marxism, still less study of it, other than in the form of distorted summaries provided by its opponents.

So in anthropology, sociology, psychology, politics and philosophy postmodernism has almost become the new orthodoxy. That is to say nothing of academic disciplines such as "post-colonial studies" – where the word imperialism is banned – whose very existence is premised on postmodernist methods.

If postmodernism were popular in universities but subject to a sustained challenge in intellectual life outside them, in particular by a vibrant workers' movement, the task of combating it would be less important. But its theoretical premises align fundamentally with the "common sense" of a whole generation which has seen Stalinism collapse, Labourism commit suicide and popular radicalism fragment into a variety of single issue campaigns.

That is why fighting postmodernist ideas is of prime importance to Marxism.

It cannot be done by wearing a T-shirt bearing the slogan "bollocks to postmodernism". Nor can it be done by bowing and scraping in front of the gurus of postmodernism, asserting that – at their best – they were really Marxists.

The works of the French post-structuralists – Foucault, Derrida, Lyotard and Baudrillard etc. – are the philosophical foundations of postmodernism.

Alongside them, reaching similar conclusions from different starting points, stand the "neo-sceptics" of modern American philosophy: Quine, Rorty, De Man and Stanley Fish. If this article deals predominantly with the European proponents of postmodernism it is because theirs is the standpoint generated specifically via a critique of Marxism.

DEFENDERS OF postmodernism often argue that it is impossible to lump all the postmodern thinkers together; that the weak points of one postmodern theorist were recognised and overcome by another; that there are important debates within postmodernism, and self-critical re-assessments within the works of its major thinkers.

All of this is true. But in the first five minutes of any argument between a Marxist and a postmodernist a set of common themes will emerge. These are:

- there is no objective truth to be comprehended by scientific thought;
- there is no pre-given human subject; the human individual is only a complex of interrelated outside influences and determinants;
- language cannot represent reality; therefore, the concept of ideology, where false ideas mask reality, is meaningless;
- the idea of historical progression and necessity is meaningless: social formations in history, sociology and anthropology must be "mapped" – not judged or categorised;
- all social movements or societies

postmodernism

based on the possibility of scientific knowledge and objective truth rely on "grand narratives" rather than inner logic to legitimise them; these "meta-narratives" inevitably lead to the legitimising of oppression;

- the class struggle and socialism are precise examples of such meta-narratives; in any case they have become outmoded by developments in the modern world;
- the only form of resistance to oppression that does not lead to another form of oppression is limited, local, piecemeal resistance; the surest form of resistance is to change ourselves, aspiring ultimately to turn our own lives into a "work of art".

Thus, philosophical postmodernism overtly rejects more than three hundred years of progressive thinking associated with the consistent rationalism of the 18th century Enlightenment. The attempt to think scientifically about society as well as nature – and all systematic thought based on this endeavour – is rejected by postmodernism as part of the "Enlightenment project", a project which Francois Lyotard argues:

"... legitimates itself with reference to a metadiscourse – the dialectics of the Spirit, the hermeneutics of meaning, the emancipation of the rational or working subject or the creation of wealth."[2]

At the very heart of postmodernist theory lies the rejection of human thought's ability to comprehend objective truth. While they have expressed it in different ways, and with different degrees of confidence, the chief theorists of postmodernism all stand by a variant of philosophical scepticism: we cannot know anything for certain; even provisional theories about the world presuppose that there is an objective truth to be grasped. Jean Baudrillard quotes approvingly the words of the 19th century philosopher Frederick Nietzsche:

"Down with all hypotheses that have allowed the belief in a true world."[3]

This view is, in turn, rooted in postmodernism's rejection of the ability of language to represent reality.

The postmodernists found their way to this idea via a critique of the "structuralism" of the linguist Ferdinand de Saussure. Writing in the early 20th century Saussure sought to understand the structure of language by uncovering the relationship between a word and the idea it signifies (the signifier and the signified).

Saussure set aside – for the purpose of study – the relationship between the concept and the thing being conceptualised. He was concerned with the relative autonomy of the structure of language from the world it discussed.

Out of this specific line of investigation a whole methodology – "structuralism" – was evolved after World War Two. It was applied not just to the study of language but to society and culture in general, particularly in the social sciences.

A generation of radical intellectuals in the 1950s and 1960s became preoccupied with the problems of generalising structural linguistics into a "science of signs" – semiotics. Structuralism also found a voice in the writings of the most influential academic Marxist of the late 1960s and early 1970s, Louis Althusser. Meanwhile structural linguistics itself experienced a "crisis" during which many of its leading proponents began to reject any correlation between the sign and the real object being signified.

According to Foucault scholars, McHoul and Grace:

"In essence, theories of the relation between language and the 'real' were abandoned in favour of theories relating linguistic element to linguistic element. Semiotics and structuralism, that is, moved towards the signifier side of things. Discourse, then, took on the guise of a relatively autonomous, yet quite material, sphere in its own right. This position became known as the 'materiality of then signifier'."[4]

Out of the crisis of structural linguistics "post-structuralism" was born and it no longer confined its pronouncements to the sphere of linguistics.

Its basic tenet – that signs are more real than the things they represent – was codified into a world view, an anti-philosophy. The most radical proponents of this have been Jacques Derrida and Jean Baudrillard.

For Derrida all forms of language and communication are summed up in the word "text". And, in Derrida's famous phrase, there is "nothing outside the text".[5] For Derrida, however, the lack of correspondence between language and reality does not absolve us from subjecting culture to criticism. This gives rise to one of postmodernism's most important ideas: deconstruction.

All "texts", according to Derrida, are made up of metaphors and other linguistic devices which conceal the real meaning, often concealing the flaw in the logical structure. The task of a critical thinker is to "deconstruct" the text, reveal its inner meaning – or lack of meaning – through a "close reading". Like a psychiatrist who looks for chance remarks and physical twitches in the patient to uncover what is really the cause of mental illness, Derrida sees the "marginal text" as the best starting point for a critique of a set of ideas.

"Ideology corresponds to a betrayal of reality by signs; simulation corresponds to a short-circuit of reality and its reduplication by signs". Baudrillard

Derrida's work takes the form of literary commentaries on various aspects of Western culture. He does not posit an absolute truth which the allegedly dishonest forms of language cover up: like all postmodernists he rejects the concept of ideology.

Since the role of the critic is not to analyse but to commentate, literary ramblings are just as valid as rigorous analytical presentations. The US writer Paul De Man, a follower of Derrida, wrote:

"Literature turns out to be the main topic of philosophy and the model of the kind of truth to which it aspires"[6]

Jean Baudrillard poses the problem of the relationship of language to the real world in a different and more culturally specific way. He claims that mass communications, and the popular culture they have given birth to, make a nonsense of the question "does language reflect the real world?".

Traditional language, according to Baudrillard, tried to "represent" the real world, giving rise to the philosophical "problem of representation" (i.e. is the representation accurate?). The structure of knowledge in the late 20th century means that, for Baudrillard representation has given way to "simulation". Simulation "bears no relation to reality whatever: it is its own pure simulacrum".[7]

Instead of reality we have "hyper-reality" – where signs are more real than the things they signify. As a result, Baudrillard too rejects the concept of ideology:

"Ideology corresponds to a betrayal of reality by signs; simulation corresponds to a short-circuit of reality and its reduplication by signs."[8]

Television, for example, is more real than the world it represents. This outlook allowed Baudrillard infamously to predict, in January 1991, that the Gulf War could not happen. After it was over he wrote a book entitled *The Gulf War Did Not Take Place*.[9]

Within postmodernism itself there is controversy over what the inability of language to reflect truth means.

An obvious problem raised by Baudrillard's arguments for rejecting rationality is its historically specific and therefore limited premise. Whereas Derrida makes a general statement about knowledge, Baudrillard makes a

historically specific one: for him it is the age of mass communications which has made truth impossible.

The clearest line is drawn, however, between Foucault and Derrida. Whereas Derrida denies that there is a knowable world beyond the text, Foucault sees – in the hidden meanings uncovered by deconstruction – a reflection of the power relationships in human society.

Postmodernists argue that any meta-discourse or meta-narrative, will legitimise political power and oppression. Enlightenment rationality gave rise to a number of such meta-discourses: liberalism, Marxism, fascism, Hegelian philosophy, Social Darwinism etc. The task, they say, is to subject rationality itself to a critique so that such abuses of social power cannot recur.

Michel Foucault, declared, "I am simply a Nietzschean".[10] Postmodernism's views on the problem of "power" – social oppression and repression – also owe much to Nietzsche. Nietzsche saw the class struggle as only one expression of a more fundamental struggle in human society – what he called the "will to power". Foucault refuses to make a value judgement between repression and the "power" exerted by social movements which resist it.

But Foucault refuses to order those power relationships politically, socially or morally. He refuses to write "history" preferring "genealogy" i.e. a temporal progression which does not suggest progress, lawfulness or necessity.

His three volume *History of Sexuality* provides a commentary on the historically changing and determined nature of this fundamental facet of human culture. But – though its subject matter is the rise of capitalism and its effects on the pre-capitalist family – he refuses to structure his investigations around that historical fact.

Both Foucault and Derrida have

Postmodernists argue that any meta-discourse or meta-narrative will legitimise political power and oppression.

their quasi-Marxist followers. Derrida has claimed to see value in Marxist socialism as a form of resistance once it is shorn of its "meta-narrative" and reduced to a utopian good idea.[11]

Foucault – though avowedly anti-Marxist – is seen by many as the more "materialist", because of his desire to explain unequal power structures as underpinning the hidden meaning of language, and because his subject matter has been the historically changing form social oppression.

But the arguments between the postmodernists only serve to underline the key points of agreement, all of which form the starting point for their critique of Marxism. Fundamentally, all of them reject the possibility of knowing the objective world.

When considering the social world, all reject historicism. All see modern philosophical thought – from the Enlightenment of the 1760s to Marxism and beyond – as rooted in an unjustifiable rationalism. They reject the specific value of philosophical thought over literature and commentary.

Finally, all reject the concept of the human subject. Western philosophy has been rooted in the concept of the individual human being (the subject) comprehending the outside world (the object) through thinking. According to Foucault:

"The individual is not a pre-given entity which is seized on by the exercise of power. The individual, with his identity and characteristics, is the product of a relation of power exercised over bodies, multiplicities, movements, desires, forces."[12]

While much of Foucault's work focuses on the creation of human subjectivity by society, postmodernism's attack on the subject has important implications for the theory of knowledge. We cannot know objective truth: not only because language cannot depict reality but also because there is no "independent" human thinker to comprehend the truth.

THE MARXIST critique of postmodernism has to start with the epistemological questions – i.e. questions about knowledge and how we know what we know.

Marxists defend science, rationality, the idea of an objective, knowable world and human subjectivity – but we do so critically. We defend them from the standpoint of dialectical materialism.

Dialectical materialism sees all scientific thought as a "series of successive approximations to the truth" (Lenin); it sees the subject/object model of knowledge as one sided because it presupposes an absolute opposition between the thinking mind and "matter".

In addition it is only revolutionary Marxism which can provide a coherent critique of "meta-narratives" where they serve as justification for oppression, including where – as in the case of Stalinism – that "meta-narrative" is a degeneration originating in the Marxist movement itself.

Let us start with the arguments for and against an objective reality, whose laws of motion are real and discoverable.

Millions of people, every day, board passenger jets. They are prepared to believe that a machine based on the laws of aerodynamics can defy gravity. They believe, provisionally, that science has discovered a real objective law; they trust science's prediction that the jet will fly. Aeroplanes work because their design is based on accurately observed and understood laws of nature.[13]

At a deeper level, however, some of the laws of physics on which aerodynamics is based – essentially the physics discovered by the scientists of the much maligned "Enlightenment" – are called into question by modern scientific discoveries. Even the two great advances of 20th century physical science (the general theory of relativity and the theory of quantum mechanics) conflict with each other.

Because of this the most consistent scientific thinkers are forced to view their theories as provisional summaries of the truth; approximations formed in the human mind to the actual laws of the objective world.

Scientific method

Does the provisional and approximate nature of scientific theory mean that, ultimately, there is no knowable objective world?

The most influential modern argument in favour of this comes not from European post-structuralism but from North American "neo-pragmatist" philosophy. W.V.Quine, in his essay "Two Dogmas of Empiricism"[14] argued that there are as many ways of describing an observed event as there are sentences held to be true at a given time.

For Quine even non-theoretical "observation sentences" – such as "the jumbo jet is flying" – are already value-laden, bound up in a pre-existing belief system ("It will fly"). For Quine, therefore, scientific statements and mystical statements have equal validity: they are all hypotheses. We may choose one set of statements to represent truth, says Quine, but in fact we are only choosing one set of metaphors for the world, one "ontological scheme".[15]

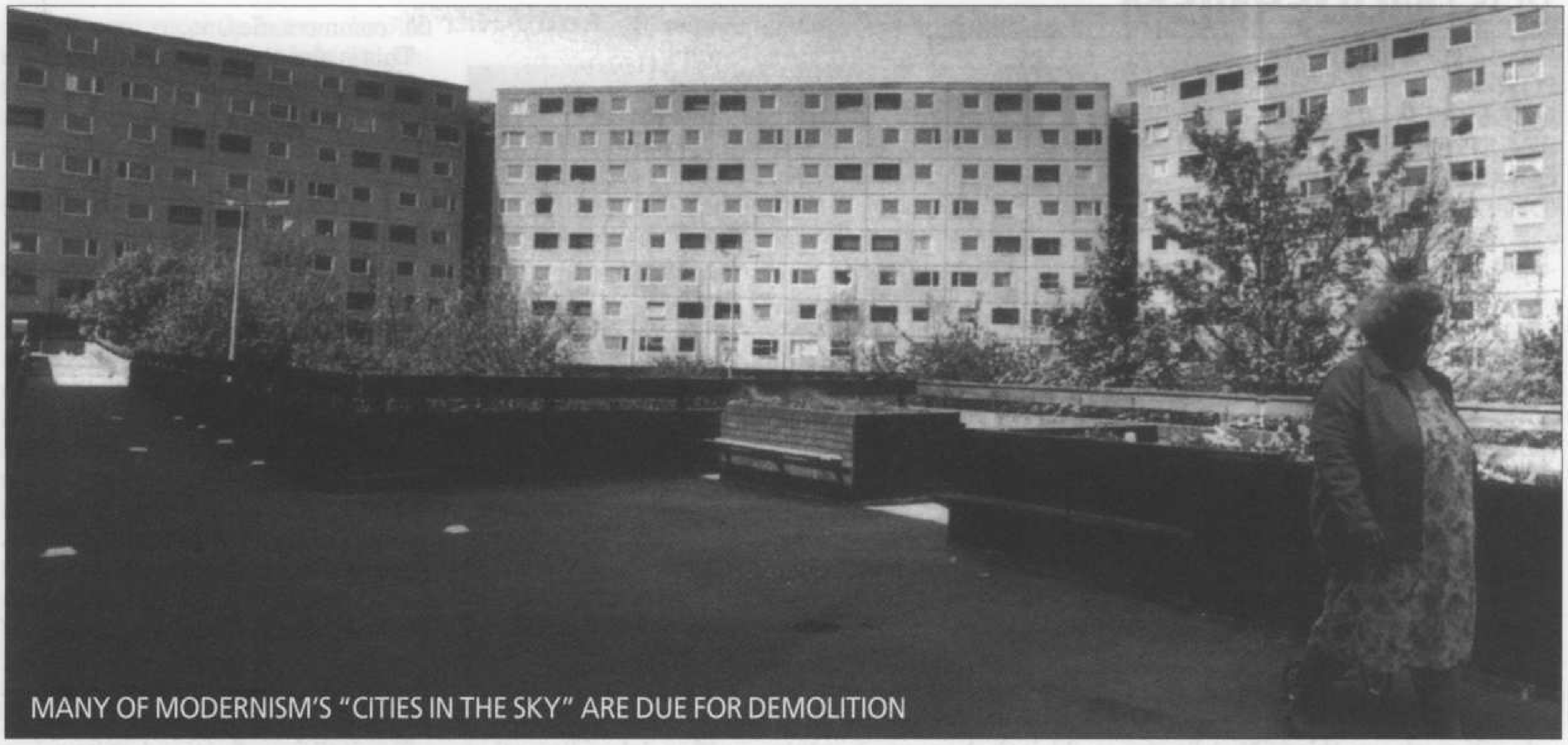
However, when Quine wants to cross the Atlantic he gets on a jumbo jet.

Faced with the choice of two sentences – "the jet will fly" and "I could fly by flapping my arms" – Quine chooses to act as if the second statement were false.

In doing so, he is not just exhibiting an urge to self preservation. Nor is he simply choosing an "ontological scheme". He is making exactly the same link between scientifically formulated laws and human action that forms the basis of so called Enlightenment rationalism.

It could easily be proved that Quine cannot fly by dropping him from a tall building. It can be proved that jumbo jets will fly by observing them. Ultimately the proof of scientific hypotheses lies in practice.

The physicist Stephen Hawking describes the way Einstein's general theory of relativity was reinforced – as



MANY OF MODERNISM'S "CITIES IN THE SKY" ARE DUE FOR DEMOLITION

against classical Newtonian physics – by observing small movements in the path of the planet Mercury:

"The fact that Einstein's predictions matched what was seen, while Newton's did not, was one of the crucial confirmations of the new theory. However we still use Newton's theory for all practical purposes because the difference between its predictions and those of general relativity is very small in situations that we normally deal with."[16]

Marxism shares with all consistent scientific method and rationalism the belief in the concreteness of truth, and the provisional hypothetical nature of scientific theory. But the revelation – through scientific research – that one theory is inadequate; its replacement by another; even a period of generalised scientific uncertainty such as our own; all of this does not add up to a case for rejecting the possibility of scientific truth.

In the late 20th century science is undergoing a massive historical transformation, in which many of the certainties and models of reality are being shaken up. The goal of the absolute majority of scientists is to re-order scientific thought at the end of this process. Hawking, for example, sees the possibility of current partial and conflicting theories giving rise to a "complete unified theory that will describe everything in the universe".[17]

A small minority of scientists have been influenced by postmodernism. But calls for a "postmodern science" based on chaos theory have received little support, even from those like Hawking who believe that theory "exists only in our minds and does not have any other reality"[18].

The postmodernist call for a "re-enchantment of nature"[19] has produced little resonance precisely because science is a search for truth in the physical world.

Richard Appignanesi, a recent populariser of postmodernism, points out ruefully:

"The emerging theories of chaos and complexity completely demolish the notion of control and certainty in science . . . Both theories promise a postmodern revolution in science based on notions of holism, interconnection and order out of chaos . . . While both chaos and complexity have forced us to ask sensible questions and to stop making naive assumptions, both are presented by their champions as new theories of everything."[20]

Of course, under capitalist society scientific research is subject to many restraints. The scientific community is often, and increasingly, a handmaiden of business. The fracturing of scientific research into a series of overlapping but uncoordinated "disciplines" can hinder the search for truth.[21]

But while science is hampered by the social relations of capitalism under which is it practised, and while many of the new disciplines of science have contributed buzzwords to the postmodern lexicon (chaos, fractals, Heisenbergian uncertainty etc.), not one of these scientific disciplines proceeds in practice from an absolute scepticism or relativism.

That is because scientific thought is not qualitatively different from the common, everyday thoughts of the air traveller checking in his/her luggage at the airport: it proceeds from practice and is verified through practice – that is to say through our senses.

Materialist dialectics counterposes to all scepticism the historical fact that humanity has conquered nature through knowing it more accurately. The progress of the productive forces – from stone tools to the internet – has occurred because of the interaction between human thought, consciousness, and the objective world.

If the objective world were unknowable through our senses then this progression could not have taken place.

The postmodernist call for a re-enchantment of nature has produced little resonance because science is a search for truth in the physical world.

Language and reality

Postmodernism has adopted and reinforced the general philosophical relativism outlined above in its theory of language. Richard Rorty, the American postmodernist writes:

"To say that truth is not out there is simply to say that where there are no sentences there is no truth, that sentences are elements of human languages, and that human languages are human creations. Truth cannot be out there – cannot exist independently of the human mind – because sentences cannot so exist."[22]

Postmodernist thinkers fall into two camps on the question of language:

- language cannot represent reality;
- language can no longer represent reality.

For both standpoints the problem of knowledge is shifted from sensation to consciousness. Whether or not we can see a true picture of the objective world we cannot think it – because the language in which we think cannot accurately comprehend that world.

Language is demonstrably a product of human history. Humankind's interaction with nature, through practice, has produced successive linguistic structures. In Greenland there are more than twenty different words for snow; in the England of Sir Francis Drake there were over forty different words for a sailing ship.

For Marxists this history of language is a confirmation of the dialectical materialist assertion that being determines consciousness. A visit to any museum of antiquity shows that the rising level of human mastery over nature created "languages" that described and comprehended the world with increasing accuracy: from hieroglyphics and crude human representations to the alphabet and unsurpassed sculptural realism.

Structural linguistics originated in an attempt to understand the inner laws of humanity's successive ways of

POST-MODERNISM REJECTS THE CONCEPT OF IDEOLOGY



thinking expressed through language.

Its original focus was historic languages and the living languages of surviving pre-capitalist (often pre-class) civilisations. It attempted to look beneath conscious speech to the unconscious infrastructure of language. It searched for an inner structure or system in languages with the aim of discovering general laws of language itself. It focused not on historical change, but abstracted from the changes within language.

Human consciousness was produced, historically, by our interaction with the environment – more specifically our attempts to change it.

Many of structuralism's insights were useful, both to the study of "primitive" cultures and also the development of language in children. But generalised into a method of analysing all human society, most importantly in the work of the anthropologist Claude Levi-Strauss, structuralism became a mixture of mechanical materialism and idealism.

Its mechanical materialism lies in its assertion that human subjectivity and action played no part in the "structure" of society. We are simply the products of our circumstances. The analysis of a given social structure depends on taking a "snapshot" of society and elaborating its general rules. The human subject is not free to think outside the language rules of the society in which they live. Because of this structuralism is unable to understand – and often uninterested in – the process of historical development.

At the same time, precisely because of its emphasis on language as the determining factor in consciousness (as opposed to practice), structuralism is a form of idealism.

It was out of the collapse of structuralism – its failure to hold up as a general theory of social reality – that post-structuralism and postmodernism were born.

Derrida and Foucault both began working within a structuralist framework. They shared with structuralism the idea that the human subject (what Levi Strauss called the "spoilt brat of philosophy") was merely the product of its surroundings and therefore, not valid as a concept. They also shared with Levi-Strauss his opposition to the idea of historical progress. His anthropology had rejected, as "Euro-centric", the idea that modern capitalist society represented a form of progress over the pre-class societies he studied.

Structuralism had also gone a long way to undermining the possibility of language reflecting truth. It "bracketed" (i.e. temporarily ignored) the thing, in order study the sign representing the thing. Thus it paved the way for its own self-destruction.

Derrida led structuralism's movement to the "signifier side of things" by asserting that since the relationship between word and concept were already arbitrary, language was nothing more than a "free-floating collection of signifiers".

At a theoretical level the most fundamental objection to this retreat to linguistic relativism is that it contains its own refutation. If language has no reference to the material world, if there can be no truth, then there can also be no coherent theory. The "theory" that language cannot reflect reality is – by its own criteria – invalid, because there can be no theory.

This may seem like a cheap shot at postmodernism. But its validity has been recognised by the postmodernists themselves.

Alongside the retreat to linguistic relativism – the idea that truth, in Nietzsche's words, is just a "mobile army of metaphors" – goes a retreat away from attempts to theorise. In Derrida's work the attempt to theorise is replaced by a fragmentary series of "non-judgmental" commentaries.

This is also the method of Jean Baudrillard, but taken to extremes.

Baudrillard began as loosely committed Marxist in the early 1960s but developed a new, basically idealist explanation of mass production and consumption, in which the categories of Marxist economics are torn away and applied to semiology.

For Baudrillard commodities do not simply have use value and exchange value (as in the scheme outlined in Marx's *Capital*[23]), they are also "signifiers" in a language system.

And their signifying role is more important than either their use value or exchange value. Ultimately Baudrillard concluded that both use value and exchange value were merely "alibis" for the sign. The whole "system of signs" which Marxism calls ideology, the whole culture of mass consumption, advertising etc. was not the result of capitalist production but its prime cause.

As we have indicated, there is a logical contradiction between the generalised relativism of Foucault and Derrida and the historically specific relativism of Baudrillard. But what they share is a retreat from theory, justified by a retreat from linguistic meaning.

Marxists object to this: not because we believe that language reflects reality in a constantly "true" and unmediated way, but because the linguistic "problem of representation" can only be solved historically.

If there is "only" language, and it bears no relationship to objective reality – in Derrida's version of post-structuralism – then why does language change? If "discourse", as Foucault understands it, is not merely language but the means whereby power systems come into being and legitimise themselves, then what is the impulse which drives one power structure to be replaced by another? It cannot be the subjective action of human individuals since the human subject is hopelessly trapped in the "determined" language and the predominant discourse of its time.

There is no convincing answer to these questions in the work of Foucault and Derrida. The only consistent answer can be found in Marxism.

Dialectical materialism rejects the distinction between "knowing" and "doing". The "truth claims" and "truth sentences", derided by postmodernists on both linguistic and epistemological grounds, are always, in the first place, the product of human action not of thinking divorced from action. For Marxists knowledge is transforming action.

And this is not just a "theory", or rival speculation. It is provable with reference to every historical advance in knowledge. Every advance in knowledge is at the same time an advance in technique.

Until very recently human knowledge, of necessity, trailed behind technique. Hunting leads to language, the stone tool to drawing – not the other way round.

The answer to all scepticism – whether of the Quine, Rorty, Foucault or Derrida types – was given by Marx as early as 1845 in the *Theses on Feuerbach*:

"The question whether objective truth can be attributed to human thinking is not a question of theory but is a practical question. In practice man must prove the truth, i.e. the reality and power, the this-sidedness of his thinking. The dispute over the reality or non-reality of thinking which is isolated from practice is a purely scholastic question."[24]

Ideology

As we have seen, both French post-structuralism and American philosophical scepticism reject the possibility of ideology.

Ideology – broadly speaking – means a set of ideas arising from social conditions which serve to obscure the truth about society, legitimising a specific form of class society as the only "natural" or inevitable social formation.

Marxism did not invent the concept: it was originated by the mechanical materialism of the Enlightenment and the French revolution, and taken up by Marx's idealist precursor, Hegel. Even in Marxism there has been intense debate about the nature and role of ideology.[25]

Nevertheless, it remains a crucial concept for explaining the role of language and logic in comprehending reality; for explaining why humankind – despite being engaged constantly in "practice" – comes up with false ideas.

In the earliest exposition of the concept, *The German Ideology*[26], Marx and Engels start from the fact that, before there is thinking there is being: before mind there is matter. Matter existed for millennia before it produced a thinking animal. The human brain, where thinking takes place, is also matter. Human consciousness was produced, historically, by our interaction with the environment – more specifically our attempts to change it.

This biological fact is at the same time a social fact: humans are social animals. In order to interact successfully with our environment we must do so in societies. Our social existence is crucial in producing our consciousness.

As soon as human beings raised their minds to questions of explaining the world around them they formed sets of ideas which were conditioned by their social and physical environment: seaboard societies worshipped sea gods.

But why did they worship gods at all?

The religious impulse appeared to the early materialists as an absence of reason: ideology was humanity's substitute for not being able to know the natural world and thus control it. Marx and Engels went beyond this rationalist view of ideology by showing how false ideas, as well as true ones, have real material roots:

"We set out from real, active men and on the basis of their real life-process we demonstrate the development of the ideological reflexes and echoes of this life process."

But:

"If in all ideology men and their circumstances appear upside down as in a camera obscura [a pinhole camera], this phenomenon arises just as much as from their historical life process as the inversion of objects on the retina does from their physical life process."

Ultimately the working class will not dispel capitalist ideology without uprooting capitalism itself.

The act of subordinating nature to human control did not just push back the boundaries of ideology. It was done through society, and because all society until now has been systematically unequal – class based – social development created and reinforced ideology.

Ideology is formed not just by physical conditions but by social conditions. Specifically the most fundamental social conditions – the way we produce wealth, what Marx called the economic "structure" or base – give rise to a whole series of social institutions and modes of behaviour which in turn condition human thought:

"The sum total of these relations of production constitutes the economic structure of society, the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the social, political and intellectual life processes in general."[27]

The many-layered mediating process between economic production and social thought means that ideology can be varied within a given society. There can be ideologies of resistance as well as of reaction. "The blacks are taking our jobs and destroying our national culture" is one example of ideology. So is the idea that fascist councillor Derek Beacon came to power in London's Isle of Dogs by exploiting the magical power of a "lay-line" which ran beneath his house.

For the same reason that we have jumbo jets that fly we can have ideas that challenge ideology. Science, applied to the physical world, produces hypotheses provable by interaction with that world. Social practice can equip us with the vision to see beneath the external appearances thrown up by social structures.

Anybody wanting to free humanity from the necessity of having to endure exploitation at work, to starve and suffer oppression has to identify the obstacles that stand in the way of freedom. Collective struggle has the power to blow away ideology – maybe only partially but at least in the most crucial areas – and allow those resisting oppression to come to a scientific view of their predicament.

It is a fact that the collective class struggle is the greatest counterweight to crude, overt and crippling racism of the kind quoted above. The active struggle can prove that fascists like Derek Beackon have no power – magical or otherwise – to resist a mass, political and physical working class response.

Ultimately the working class will not dispel capitalist ideology- in all its forms – without uprooting capitalism itself. But the most collectively active section of the working class is able to see through the decisive parts of that ideology, especially when its spontaneous insights are combined with, and codified into, a scientific counter-argument for socialism.

Contrast all this with the views of post-structuralism and neo-scepticism.

Neither Michel Foucault nor Stanley Fish deny that our beliefs are conditioned by our surroundings. Both agree that we cannot escape such conditioning. According to Fish:

"That is the one thing a historically conditioned consciousness cannot do, conduct a rational examination of its own convictions."[28]

For the post-structuralists, while deconstructive criticism can unmask the logical flaws and sleights of hand in discourse, and even uncover the structure of an ideology, it cannot replace it. Unless it retreats to the personal, or the fragmentary, the critique of one ideology will only be done from the standpoint of another.

In one sense the postmodernists have grasped the truth here. They are rooted in the "Western Marxist" tradition which divides the revolutionary party into "intellectuals" and "masses". No individual theorist, however erudite, can hope to escape ideology by theoretical practice alone. As individuals we all possess a consciousness that is more or less shaped by the predominant ideas of the ruling class. This is even true of revolutionary socialists.

But as a collective, through a party that unites our everyday experience as individuals with the historic experience of the organised working class, and is armed with a scientific understanding of the interests of the working class, we can combat ideology.

It was the experience of the Stalinist parties' misleadership and betrayal of the working class which drove the French post-structuralists away from the concept of ideology and towards the concept that Marxism was just another "meta-narrative".

The class struggle "taught" Foucault, Baudrillard and co that the working class could not rise to become a revolutionary subject. It could not learn collectively from practice. It was a short journey from this idea to the rejection of human subjectivity in general.

True to the influence of Nietzsche, Foucault in particular sees the class struggle as only one example of a more fundamental impulse in humanity, namely the "will to power".

The first question a materialist must ask about the "will to power" is where does it come from? If it is a biologically determined trait of humanity, and it underpins all social conflict, then the human race is doomed genetically to suffer oppression. That would leave postmodernism as little more than a rehashed version of the religious theory of "original sin".[29]

If, on the other hand, the will to power has social roots then it is already called into question as the fundamental category. What in society produces and reproduces this will? What exists prior to it? Foucault's investigations into "discourse" as a means of legitimising power structures, and into historically successive discourses, refuse to answer these questions. The history of society is reduced to the "power struggle" without any explanation of where the power struggle comes from.

Instead Foucault observes the effects of the rise of capitalism on human relations, not just at the level of class struggle, but in the sphere of punishment, training, social oppression and sexual repression. He argues that, whereas feudalism had imposed a political power relationship from above, rising capitalism imposed "self discipline" through a variety of new social institutions:

"This new mechanism of power is more dependent upon bodies and what they do than upon the earth and its products. It is a mechanism of power which permits time and labour, rather than wealth and commodities, to be extracted from bodies. It is a type of power which is constantly exercised by means of surveillance rather than in a discontinuous manner by means of a system of levies or obligations distributed over time. It presupposes a tightly knit grid of material coercions rather than the physical existence of a sovereign. It is ultimately dependent on the principle that one must be able simultaneously both to increase the subjected forces and to improve the force and efficacy of that which subjects them."[30]

If these observations were allied to Marxism they would form an interesting and useful insight into the social effects of the rise of capitalism.

Instead they are raised to the status of a theory, specifically opposed to the class struggle as an explanation of historical change:

"One should not assume a massive and primal condition of domination, a binary structure with 'dominators' on one side and 'dominated' on the other, but rather a multiform production of relations of domination."[31]

In the first place, these two statements, taken from the same book of interviews, are materially at odds. Who is the "one" who must be able to increase the numbers of those subjected while increasing the force that subjects them? Who are the "subjected"? The answer is clear if we view history as the history of class struggle.

Rising capitalism required a new system of labour discipline, in which the worker was responsible – within limits – for the quality and duration of work. No longer to be ruled by the seasons and the sun, as agricultural labour was, but by the rhythms of the factory, the new working class had to be taught the "discipline" of the factory.

Foucault's polemic against Marxism rests on the assertion that Marxism reduces history to just one set of power relationships – class structure – whereas "power" itself is a more fundamental category. But Marxism does not do this. For Marx the fundamental human category was not class struggle, nor power, but labour. Because humans have to labour in order to live, and because their labour is social, they create societies as a means to carrying out labour.

Marxism does not have to ignore or

Althusser's Marxism



IN THE 1970s, the French philosopher, Louis Althusser, influenced a generation of Marxist intellectuals and professional academics in the social sciences and cultural studies.

Until his death in 1990 he was, for most of his adult life, a member of the French Communist Party (PCF). Like many he was deeply effected by Khruschev's speech at the 20th Congress of the CPSU in 1956 which revealed the crimes of Stalin. His attempts to make sense of Marxism in the aftermath of this make up Althusser's work.

During his "re-reading" of Marx in the 1960s the key influences on his thought were writers such as Derrida, Lacan and other structuralists. By contrast Althusser showed no interest in studying or learning from the left's anti-Stalinist critique of the degeneration of the Russian revolution. Indeed, he defended most of the political and social results of Stalinism's bloody counter-revolution against the Soviet working class.

His reflections were philosophical in nature. He concentrated his fire upon what he saw as alien influences on Marxism that had led to Stalinism's deviations, namely a view of history that emphasised the forces of production and technology as the key to human development. This he termed "economism".

But he rejected the "liberal" critique of Stalinism after 1956, which he labelled "humanism":

" . . . a profound ideological reaction . . . ethical in tendency which spontaneously rediscovered the old philosophical themes of 'freedom', 'man', 'the human person' and "alienation'." (L. Althusser *For Marx*)

Both economism and humanism were products, according to Althusser, of the Second International's reformist "Marxism" and had to be rejected. But the Second International did not invent them; rather, they were to be found in the early writings of the young Marx.

Althusser pointed the finger of blame for this type of Marxism at Hegel. Hegel was the one who bequeathed Marx a false view of history whereby history unfolds automatically to a pre-determined goal (teleology); this could be due either to objective economic laws (economism) or, alternatively, to the working class becoming more and more class conscious of its own destiny (humanism).

Marx's early works were tainted with these views, according to Althusser, but, through an "epistemological break" around 1845, were gradually thrown off in his later works, above all, in *Capital*.

In short, Althusser set himself the task of redefining historical materialism and rescuing Marxism. He did neither. To rid Marxism of its Hegelian "defect" it was necessary to junk the idea of history or society as "an expressive totality", that is, a combination of forces and relations of production in which the economic determines the legal, cultural and ideological. In its place Althusser argued, following the structuralists, that history and society were not in a contradictory movement towards a goal but were, rather, a series of structures or "instances" within the social formation which were relatively autonomous and moved in different "timeframes". While the ideological spheres were "ultimately" determined by economic forces, this time "never arrived".

This threw up the banal conclusion that economics, politics and culture affected each other equally. Causality and hierarchy

reject a relationship between power structures and human biology – as the Foucault/Nietzsche model does. It sees human beings as "social animals" and is able to understand power relationships in connection to the most fundamental human activity – social labour.

It is not true that Marxism reduces all power struggles to class. But we insist that the major social struggles can be defined in relation to class.

Women's oppression emerges with the transformation of an accidental biological division of labour into a socially codified one. It does not happen until society is advanced enough to create a surplus and therefore a struggle over the surplus.

Racial oppression – as opposed to simple and widespread prejudice against the outsider – does not emerge until the rise of a specific form of class exploitation in early capitalism, namely chattel slavery, and is systematised by the emergence of a specifically capitalist "power structure", the nation state. Systematic oppression of lesbians and gay men emerges even later, with the imposition of the bourgeois family.[32]

Foucault's "reduction" of all inequalities to the concept of power is not a reduction at all: it is a mystification. It cannot explain the reasons for power without reference to power. It is also self-contradictory, recognising oppressors and oppressed but refusing to recognise oppression.

It also relies on an utterly one-sided understanding of human subjectivity.

An earlier generation of humanist French thinkers (e.g. Sartre) saw the human subject as capable of doing and thinking anything – in defiance of its circumstances. Post-structuralism replaced this with an equally one-sided view of the human individual completely trapped by power structures and equally responsible for maintaining them, whether oppressor or oppressed.

Only Marxism can provide a coherent account of the power structures in society and of human subjectivity. Power structures reflect class interests. The state defends the property of the ruling class but petty theft in the inner cities does not summon many police sirens. A strike is an elementary form of power struggle between the working class and the bourgeoisie.

Only somebody who equated Marxism with Stalinism – in particular with its economism and one-sided economic determinism – could see social struggles beyond the workplace as proof of its invalidity. But that is exactly the kind of "Marxism" which surrounded Michel Foucault as a member of the French Communist Party in the 1950s.

In the late 1960s an international working class offensive coincided with explosive struggles of women, youth, gays, black people and third world peasants. Foucault wrote:

"What has happened since 1968, and arguably what made 1968 possible, is profoundly anti-Marxist."[33]

In the last part of this section we will try to explain how this judgement rests on a misinterpretation of the facts and a blatant misunderstanding of Marxism.

Only Marxism can provide a coherent account of the power structures in society and of human subjectivity.

Fighting oppression

Marxism lays claim to be the only scientific form of thought about society precisely because it uniquely combines a search for totality with the realisation that thought is provisional and reality is in a constant process of change.

Marxism was able to stand on the shoulders of three strands of the Enlightenment – utopian socialism, Hegelian idealism and classical bourgeois political economy – only because it was able to see what was unscientific about them. It saw their tendency to present truth as a closed system and reality as a finished evolution.

For Lyotard the meta-narrative is defined by its "great hero, its great dangers, its great voyages, its great goal".[34] Marxism arose by subjecting every one of these elements, in what have become known as its "three sources and component parts", to a

were rejected, rendering historical materialism useless as an explanatory tool. These separate structures may or may not collide and a specific society at a specific point in time may be burdened by too much history to the point where the social formation is "overdetermined" and revolution breaks out. Structures may change but they may or may not effect consciousness. None of these influences can be compared, generalised or quantified; in short, they cannot be foreseen.

Althusser's concept of science was another victim of his "re-reading". In the first place, science was not about understanding the real, objectively existing world, but only the concept of that world. In contrast, empiricism opposes "a given subject to a given object and calls knowledge the abstraction by the subject of the essence of the object", a view of science Althusser completely rejected. Theory could not generate knowledge of the real world and nor could this world be the source material for theoretical reflection.

In a manner analogous to Derrida and his view of "texts" Althusser saw the raw material of science as the key works of Marx and his job, as a scientist, to "deconstruct" them. The task was to "discover" the "scientific problematic" buried within the text, and reject concepts used by Marx (even if he used them consciously) which were inconsistent with this problematic. Naturally, all Hegelian concepts were purged.

Science, for Althusser, was not the servant of the real world, rather it is a separated-off sphere of social practice. The hole in Althusser's argument is clear. If the real world is not the legitimate starting point for the generation of theoretical knowledge then what is? For Althusser it was nothing other than a "reading" by the dispassionate scientist, hence its idealism.

But Marx in contrast started from certain real premises, from which it is not possible to abstract; namely, that humans are purposive and social by nature. This nature is constrained and alienated by the class exploitative social relations within which labour is carried out. Capitalism produced the first society in history where the potential existed for humans to free themselves from this historical constraint by overthrowing capitalism and class society in general.

Althusser managed the remarkable trick for a Marxist in sundering theory from the real world and offered no account of how theory could guide practical intervention into the world in order to change it. In short, he reverted to a form of rationalist idealism in which the truth was a series of internally coherent imposed logical constructs within the body of a work.

It is clear that Althusser, like the postmodernists ended up with a belief that the objective world, and an account of its contradictory movement in thought, is not possible. Indeed, all that is open to mere humans is ideology. Ideas generated by individuals and classes and how they see their place in the world (a "system of lived relations") are the stuff of ideology. From Lacan, Althusser borrowed the idea that the real world cannot be known consciously and hence people can only be trapped in an imaginary understanding of that world and their place within it.

Althusser began his search for an authentic non-Stalinist historical materialism by rejecting a meta-theorist, Hegel. Unlike Marx he did not just reject Hegel's idealism, but rather Hegel's comprehensive and systemic account of history. He ended up gutting Marxism of its coherence, its materialist premises and the central notion that conscious human beings are the active agents of social change.

By the 1980s many "Althusserians" went beyond his structuralism altogether. They realised that you could not hope to savage Hegel and leave the Marxist "meta-narrative" standing. Without history as a process with a determinate direction, without humans as conscious social agents of transformation, without science as a series of mental approximations to the real objective world, then, quite simply, there is no Marxism.■



THE FIRE LAST TIME: MAY '68 WAS A TURNING POINT IN THE EVOLUTION OF THE FRENCH LEFT

scientific critique. Did it replace them with heroes, dangers, voyages and goals of its own? In the sense Lyotard means, it did not. The working class – which would constitute the "hero" if Marxism were a meta-narrative – is destined to abolish itself in the process of liberating humanity. The "great danger" in the Marxist theoretical scheme – society's collapse into barbarism – does not come from outside of its historical scheme: it is a possibility built into capitalist development.

Hence Marxism's "goal" is completely different to that of rationalism, Hegelianism and classical political economy: it is not assured by the rationality and all-knowing totality of the theoretical system. It is only one possible outcome of the inner laws of society. And in Marxism of course the "goal" is not merely socialism or communism but the total emancipation of the human individual from need. Our goal is to start human history, not bring it to a conclusion.

Marxism is a synthesis of all that was progressive in early 19th century philosophy, economics and utopian socialism, made possible only by an attack on their one sided and false "totalising" claims.

Nietzsche celebrated the will to power. The proponents of postmodernism can only bemoan it – while accepting that there is no alternative.

As for the reactionary meta-narratives of the 20th century – Social Darwinism, national chauvinism, fascism, Cold War liberalism – revolutionary Marxism has been the only theory that did not give an inch to them, and the only force which combated them effectively in practice. There is no more cogent theory of fascism, for example, than that of Marxism: it was and is the politics of counter-revolutionary despair. Fostered by big business, but rooted among the middle class victims of capitalism, it was to do the job that the state apparatus could not – destroy the organised workers' movements.

To the list above we should of course add Stalinism. Leon Trotsky, the last of the great "classical" Marxists, fought a long battle against the rise of Stalinism. When we survey that battle from the standpoint of the current debate what is striking is just how sensitive Trotsky and his followers were to Stalinism's corruption of Marxism as a theory.

From the struggle against proletkultism and the effects of bureaucratism on social life in the early Soviet Republic right through to the defence of dialectical materialism against the Stalinist professors, real revolutionary Marxism saw and resisted every attempt to turn Marxism into a "meta-narrative".

When Stalin declared that "socialism" had been achieved in pre-1939 Russia, and that "communism" was only years ahead, it was Trotskyists who held this up to ridicule. Meanwhile the liberal intelligentsia of the West crawled at Stalin's feet.

The Trotskyists treated Stalin's claim for Russia just as Marx treated Hegel's claims for monarchic Prussia, Adam Smith's claims for the capitalism of the 14 hour day, Robert Owen's claims for New Harmony. They refused to accept it as the end of history. They roused the masses to struggle against it. They exposed the legitimising theory as ideology.

This was not the case with the precursors of postmodernism. All accepted Stalinism as Marxism. Thus they experienced the crisis of Stalinism as the death of Marxism.

In 1968 French workers launched the biggest general strike in history. It was sparked into life by a political crisis arising from a student uprising, at a time when a majority of university students could have legitimately been described as middle class. It took place against a backdrop of the rising women's struggles and black struggles of the late 1960s and a near universal youth radicalisation.

Postmodernist psychologists Deleuze and Guattari argue that "May 68 in France was molecular . . . irreducible to the segmentarity of class".[35] Refracted through three decades of defeat, the working class seems to disappear totally from today's postmodernist accounts of the 1968 events:

"Paris was in riot. In France 10 million people went on strike. Non-violent marches became pitched battles – the tools were barricades, burning cars and Molotov cocktails. Even Baudrillard's faculty was disrupted for two months. Who was responsible? Students known as the *Enragés* – maniacs – and some were taught by Baudrillard. But they drew their inspiration from the Situationist International . . . The revolution failed. Some historians think it expired because the students went on summer holiday."[36]

In fact the 10 million strikers were workers. The majority of student radicals drew their inspiration not from the artistic poseurs of the Situationist International but from Maoism, Stalinism and Trotskyism. The revolution failed because of the strength of Stalinism, which demobilised the workers and tried to divide them off from the student uprising.

Within a decade the majority of French intellectuals had abandoned Marxism and openly embraced French capitalism. Those who wanted to maintain a critical stance towards capitalism without Marxism had to evolve structuralism into the anti-rational orthodoxy that is the subject of this discussion. Sebastiano Timpanaro[37] has explained the crucial role of Louis Althusser – the influential academic Marxist, who sought to fuse Marxism

with structuralism – in precipitating this transition (see box).

Today the only revolutionary critique of capitalism and Stalinism is Trotskyism. Contrary to McHoul and Grace you will see revolutionary Marxists fighting for leadership on every contemporary barricade: the picket line, the black self defence group, the women's campaign against domestic violence, the struggle against imperialist war. But you will not find many postmodernists there. Hampered by scepticism, paralysed by fear of the meta-narrative they retreat into the local and fragmentary. But it is to a local and fragmentary world far removed even from the vision of Foucault, who at least immersed himself in the struggle for the rights of prisoners.

Today's postmodernists are more at home in the polite protests of middle class environmentalism; the ritual conflicts of the anti-road movement; the hand-wringing anti-humanism of animal rights; and of course in the ultimate form of postmodern protest – to dress outrageously and stay at home.

POSTMODERNISM IS part of the ideology of decaying capitalism. Like all ideology it does not spring up instantly and unmediated out of its economic roots. Its process of formation occurs in the world of ideas. Only after this, under the impact of events, do the ideas assume a mass character and therefore become a material force themselves.

In turn its arguments, "proofs", methods and metaphors are drawn not just from culture, but from changes in the economic base itself. What follows is a brief attempt to explain that process.

There are many sources of postmodernist ideas: we have already discussed the crisis of Structuralism, and the so-called crisis of Marxism. Another strand is the crisis of artistic modernism.[38]

Modernism in art helped to define an important aspect of the ideology of the big bourgeoisie in the imperialist epoch. The very small upper layer of the bourgeoisie (and their later corporate equivalents) were able to persuade themselves of the dynamism of their system and the liberalism of their politics through their patronage of progressive artistic creativity.

After 1945 it experienced a "golden age". Not just tolerated but actively promoted by the US imperialist establishment – including the CIA – post-war modernism was meant to adorn a booming, technologically progressive capitalism plucked from the ashes of World War Two, and to act as a siren call for dissident intellectuals in the Stalinist states.

But as capitalism's long boom drew to a close modernism underwent another crisis of direction. It seemed to collapse in fragmentary directions. Where modernism had been put to functional use – most famously in architecture – its confidence was even further dented as, one after the other, the "cities in the sky" turned to slums and many were dynamited.

The inner contradictions of a modernism almost wholly divorced from any belief in social progress – capitalist or socialist – ultimately produced an art that reflected this growing pessimism. At first, few of those now acclaimed as postmodernists recognised themselves as such. Some still refuse to do so.

For the majority, however, it has become a convenient label to justify an art that denies or ignores the human subject; that refuses to comment on suffering; that maintains an ironic coolness towards all serious questions; that absolutely refuses to be associated with progressive movements; that is constantly pastiching itself.

The most fundamental ideological change however is the crisis of belief in the progressiveness of capitalism itself. Postmodernism is just one product of this. We also find it echoed within all mainstream bourgeois thought, as well as the "common sense" of a generation that can see no future other than one relentlessly like the present.

In this sense postmodernism stands firmly within the irrationalist tradition which formed the counterpoint to bourgeois rationalism ever since the Enlightenment itself.

We can trace a line from Schopenhauer, via Nietzsche to the gurus of postmodernism which asserts that rationalism is only the tool of power or the will, and that human life is meaningless. Alongside this philosophical tradition go various artistic expressions of it, all of which are characterised by a reactionary romantic opposition to capitalism.

In the 19th century, when capitalism was a relatively progressive system, this tradition remained on the sidelines of bourgeois ideology. In the 20th century, as capitalism begins to go rotten, it grows in strength. It is manifested not just in the desolate thoughts of adolescent poets but in the ideology of dictators. But still it does not achieve predominance.

Only in the last 25 years has the irrationalist streak of bourgeois thought seriously contended for dominance.

Bourgeois liberalism remains the dominant ideology, and is given a new lease of life by the post-war boom.

Only in the last 25 years has the irrationalist streak of bourgeois thought seriously contended for dominance. And that is because of the coincidence of circumstances accumulated over three decades: the end of the post-war economic boom, with no return in sight; the defeat of working class struggles – many of them strategic defeats with long-term implications; finally the collapse of Stalinism.

These fundamental, developments in the economy and the class struggle unleash new developments in both base and superstructure: the destruction of traditional productive industries in the imperialist countries, the collapse of the "state capitalist" model in the third world and the resultant break-up of multinational states, the fragmentation of the political establishments of most of the imperialist countries as Cold War priorities receded.

Frederick Jameson has argued that postmodernism is the "cultural logic of late capitalism". While Jameson never succeeds in specifying what exactly this late capitalism is he is correct in his insight that postmodernism is a spontaneous ideological reflection of capitalism in a period of decay, compounded by working class defeat.

And the fact that the champions of postmodernism in the English speaking world have originated in the left tells us that postmodernism reflects the particular outlook of a whole generation of disillusioned left intellectuals.

Alex Callinicos goes further, attempt-



PERUVIAN MINERS: MARCHING FOR A METANARRATIVE?

POSTMODERNISM

THE POST-WAR BOOM GAVE A NEW LEASE OF LIFE TO MODERNISM. TODAY ART IS DEEPLY PESSIMISTIC



ing to root postmodernism in the specific outlook of the "new middle class" – a concept originated by sociologist Eric Olin Wright and imported into Marxism by Callinicos himself. This is unconvincing, both because the new middle class analysis has serious flaws[39] and because even if we accept its existence, it existed before postmodernism.

Postmodernism may have originated in the intelligentsia, it may be transmitted via the middle managerial and technical strata, but then again this is true of religious fundamentalism, Blair-ite Christian socialism and a whole host of ideologies in the late 20th century.

A materialist explanation of postmodernism does not need to situate its material roots in an intermediate stratum of society.

The immediate material impulses are economic stagnation, Stalinist collapse and working class defeat.

But the historic roots of postmodernism are the same as those of all post-1789 irrationalism: irrationalism with its emphasis on the individual will and power is the guilty self-hatred of the capitalist system. It is not a critique of capitalism, only a more desolate attempt to justify it.

Instead of enslaving millions in the factories in the name of "liberty, equality and fraternity" the irrationalist tradition says clearly that modern society is just the survival of the fittest.

Not even thought itself escapes this process: reason and theory are only tools to the competitive human will.

Whereas Nietzsche celebrated this will to power the proponents of postmodernism can only bemoan it – while accepting that there is no alternative.

Some, like Derrida, clearly recoil from this world without hope, and turn pleadingly back to Marxism for a radical theory: if only Marxism could shed itself of its "scientific" illusions and promote itself as a new utopianism then it could provide a point of light, Derrida believes.[40]

Others, like Rorty, passionately embrace the new reactionary reality, urging us to accept modern day America as "an example of the best kind of society so far invented"[41] and expressing the hope that "America will continue to set an example of increasing tolerance and equality"[42].

With views as divergent as these underpinning the most fashionable form of theoretical critique it is no surprise that, in the 1990s, we have started to hear about the "crisis of postmodernism".

In this respect Jean Baudrillard has performed sterling work in pointing his followers towards the utter futility of postmodernism as a world view:

"Postmodernism is a regression. It's the most degenerate, artificial and eclectic phase. It doesn't have a meaning. It's impossible to define what's going on now. There's a void which I analyse".[43]

Marxists should view the crisis of postmodernism not with passive satisfaction but as an opportunity to intervene into the political crisis of a whole new generation which has grown up knowing only defeat.

Our aim is to convince today's followers of postmodernism that the only healthy scepticism is dialectical materialism; the only coherent critique of Enlightenment rationality comes from the tradition which synthesised it and overcame it; that there is an alternative to a future of endless Bosnias and Rwandas.

The possibility of that future exists because of one product of the late 18th century that has not gone away: the organised working class. It is a growing class. It has suffered retreat and defeat across the developed world – particularly in the English speaking countries – but will recover its confidence and strength for new rounds of struggle.

Elsewhere it is already on the offensive. It is the only social force left in the world with the power to impose a progressive order against the onset of barbarism.

Its theoretical expression – Marxism – is the only product of the "Enlightenment tradition" which still thinks the Enlightenment was a good idea.

Postmodernism is the ideology of dying capitalism. Revolutionary socialism is the only guide to survival for humanity. And Marxists are not ashamed to say to the postmodernist generation: choose life!■

FOOTNOTES

1. F. Jameson *Postmodernism or the Cultural Logic of Late Capitalism*, London 1991

2 J-F. Lyotard, *The Postmodern Condition – a report on knowledge*, Manchester 1984

3 J. Baudrillard *Simulations* New York 1983

4 A. McHoul and W. Grace *A Foucault Primer* Melbourne 1993

5 J. Derrida *Of Grammatology* Baltimore 1976

6 Quoted in C. Norris *Deconstruction* London 1981

7 J. Baudrillard op cit.

8 J. Baudrillard ibid.

9 J Baudrillard *The Gulf War Did Not Take Place* Sydney 1995

10 Quoted in L Ferry and A Renaut, *La Pensee 68* Paris 1985

11 J. Derrida *Spectres of Marx* London 1994. See also G. Hyle "Exorcising the red spectre", *Trotskyist International* No 18, London 1995

12 M. Foucault *Power/Knowledge* London 1980.

13 Even where they do not work the problem can generally be solved according to the same scientifically formulated laws.

14 W.V.Quine *From a Logical Point of View* New York 1953

15 i.e. a theory of being or existence

16 S. Hawking *A Brief History of Time* London 1988

17 S Hawking ibid

18 ibid

19 D. Griffin *The Re-enchantment of Science: Postmodern Proposals* Albany 1988

20 R Appignanesi and C. Garratt, *Postmodernism for Beginners* Cambridge 1995

21 See Richard Leavens Edinburgh lecture in *International Socialism* 72 Autumn 1995

22 R.Rorty *Contingency, Irony and Solidarity* Cambridge 1989

23 K. Marx *Capital* (Vol 1) Harmondsworth 1973

24 K.Marx "Concerning Feuerbach" *Early Writings* Harmondsworth 1975

25 For a well documented, if inconclusive, discussion see T. Eagleton *Ideology – an introduction* London 1991

26 K. Marx and F.Engels *The German Ideology* London 1974

27 ibid

28 S. Fish *Doing What Comes Naturally* Oxford 1989.

29 G. Deleuze and F. Guattari, (in *Anti-Oedipus* Minneapolis 1983) do advocate to a form of psycho-biological determinism, declaring "desire" to be the source of power.

30 M. Foucault *Power/Knowledge* op cit.

31 ibid.

32 For a Marxist account of the specific origins of various forms of social oppression see: LRCI *Marxism and Women's Liberation* London 1993, Workers Power *Lesbian and Gay Liberation – a Trotskyist strategy* London 1989 and Workers Power *Black Liberation and Socialism* London 1995

33 M. Foucault *Power/Knowledge* op cit.

34 J-F Lyotard *The Postmodern Condition* Minneapolis 1984

35 quoted in A.Callinicos *Against Postmodernism* op cit.

36 C. Horrocks and Z Jevtic *Baudrillard for Beginners* Cambridge 1996

37 S. Timpanaro *On Materialism* London 1975 See also S. Clegg "The remains of Louis Althusser" *International Socialism* No 53 London 1991

38 In this article "art" refers to the whole of artistic creation in both "high culture" and "popular culture" – ie music, film, literature etc. It is not the task of the revolutionary party to offer a unified "critique" of such art. We stand in the tradition of Leon Trotsky (*Literature and Revolution* Ann Arbor 1975) , who vilified nascent Stalinism's attempt to impose a "party line" on art. To the question "what does Marxism oppose in postmodern art?" we answer: nothing. Of course individual Marxists – whether they be professional art critics or amateur thrash-metal guitarists – have a right to their own critical views. Many of them have disliked modernism, let alone post modernism. In the conflict between the modernist cultural establishment in the West and its postmodern critics the revolutionary party should be strictly neutral.

39 See P Morris "SWP, imperialism and the 'real Marxist tradition'" in *Trotskyist International* No 17 1995 and K Hassell & G Binette, "The British Working Class Today " *Permanent Revolution* No 7 1988

40 See G. Hyle in *Trotskyist International* op cit

41 R. Rorty op cit

42 in M Edmundson *Wild Orchids and Trotsky* New York 1993

43 quoted in C. Horrocks and Z Jervin op cit.

44L Althusser, *For Marx*, p10

Rethinking the road to power in Ireland

Maureen Harrington reviews the new programme of Socialist Democracy*

IRELAND: THE PROMISE OF SOCIALISM is by written by three members of Socialist Democracy – the Irish section of the United Secretariat of the Fourth International (USFI).

The book claims to be a programme for revolutionary socialists in Ireland. This alone makes it something of a milestone for the USFI, which has long contented itself with occasional genuflections to the *Transitional Programme* of 1938 while in reality tailing Republicanism.

The positions expressed here represent a definite break – to the left – from the historic positions of the USFI in Ireland. After almost a quarter of a century of seeing the Republican struggle as objectively embodying the entire "process of permanent revolution" they have now adopted a far more formally orthodox position: that only a revolutionary workers' party can lead the transformation of the national struggle into the struggle for working class power.

Socialist Democracy now recognises the importance of the Southern workers' class struggle, and even the necessity of breaking the Protestant workers from Unionism, for the victory of the struggle against imperialism in the North. In the unions, after long supporting left elements within the bureaucracy, they now come out for an anti-bureaucratic rank and file movement.

But despite these changes there is no accounting in this book for the failings of the USFI internationally or for its long and shoddy record of tailing Republicanism in Ireland.

Today with Sinn Fein/IRA hovering on the verge of a historic abandonment of its armed struggle against British imperialism the pressure to continue to accommodate to it is much weakened.

But tomorrow a return to full scale guerrilla war – either by the IRA or via the emergence of a new incarnation of Republicanism – could recreate the temptation to return to the old methods. Those who do not learn from the mistakes of the past always run the danger of repeating them.



ANTI-UNIONIST PROTESTER AT DRUMCREE 1996

In general there are three key points of difference between the LRCI and Socialist Democracy: Ireland's role in the EU (see box p50), the dynamics of the national question, the "reformability" of the USFI

The National Question

On the IRA's military campaign Socialist Democracy do break with the old tailist position of the USFI towards the Republican strategy. They criticise it in terms that the IWG has been doing, consistently, for the last two decades:

"Socialists similarly, for sound strategic reasons, oppose any republican militarist campaign which of necessity confined to a small number of people, is incapable of defeating a militarily much more powerful enemy but which does impose a more and more desperate militarism on the struggle. Indeed so much so that it has been, and even still is seen as *the* struggle by many republicans, who elevate it to a principle. Not only can it not remove imperialism but it has proved totally incapable of defending Catholic workers from either British or loyalist violence. Instead it erects obstacles to the broadening and deepening of the struggle which is the best way to promote defence as well as advancing the struggle." (p56)

This is well put. It is essential also to recognise that the IRA's *entire* guerrilla strategy disastrously subordinated the struggle of the masses to that of a supporting role in the heroic, but ultimately doomed struggle of a few hundred guerrilla fighters against the 20,000 British troops and the reactionary Unionist majority in the Six Counties.

At the same time this strategy resolutely ignored the 26-County working class in favour of vain hopes that the Irish ruling class, or a section of it, would remember its "national duty" and come to the aid of the struggle in the North.

Likewise, the need to fund the armed struggle with Irish-American dollars acted to keep Republicanism socially conservative.

This whole strategy constituted the major subjective obstacle to the development of an all-Ireland revolutionary party, rooted in the struggles of every section of the Irish working class. Its logical outcome – not in reality its betrayal – was the turn by the Adams' leadership towards negotiations for an end to the armed struggle, the "Pathway

**Ireland : The Promise of Socialism*
Joe Craig, John McAnulty and Paul Flannagan
Socialist Democracy 1996. Price £5

Ireland, imperialism and the EU

IN THE CHAPTER "Imperialism and Ireland" Socialist Democracy argue that:

"The chronic failure of the Irish economy can be measured in terms of poverty, unemployment and emigration." (p 29)

And:

"It is only by understanding that the Irish economy is a semi-colonial one that we can understand how it works and how it has failed . . . " (p 31)

And yet again:

" . . . the southern capitalist class is small and relatively weak and its representatives are not in a position of equality with imperialist capital and its representatives." (p 37)

There is no doubt that southern capitalism has failed the working class historically. Southern capitalism has certainly not closed the gap on the imperialists since initiating the "open door" period thirty years ago.

Nevertheless, during these years the Irish economy has expanded under the impact of foreign direct manufacturing investment and protected (assisted) state directed capital investments.

Has this combined process of capital accumulation lifted the capitalist class out of its semi-colonial condition? No. Has the Irish semi-colonial bourgeoisie been strengthened, both in comparison with its past position and in relation to its imperialist masters? Yes.

Membership of the EU has been of enormous advantage to the Irish bourgeoisie. It has had subsidised markets for its agricultural goods, access to funds for state directed investments and social services and regional grants. In return the Irish government has removed all barriers to multinational penetration into the Republic, especially from the US.

The benefits from this have not come to the Irish working class, whose wage rates remain low and whose "surplus" numbers are still compelled to emigrate. But high growth rates, EU infrastructural projects and the subsidising of a more modern welfare state, as well as the availability of jobs for skilled workers in Europe, have in this period altered the position of Ireland from a hopelessly backward state, languishing because of its division and continued tutelage to Britain, into a relatively advanced semi-colony.

That Ireland still remains a semi-colony is clear from the domination of its manufacturing base by US and EU multinationals and from their extraction of profits from the country.

But its current relatively privileged semi-colonial status is integrally linked to its position inside the EU, the largest and most fully developed of the imperialist economic blocks.

This is the material underpinning of the international interest in the peace process and of Sinn Féin's hopes (particularly those of the Adams leadership) for a peaceful resolution of the Irish national question.

Socialist Democracy's analysis is not based on such a detailed materialist analysis of the economy. It is both dogmatic and catastrophist, adding up to little more than a bald assertion that nothing has changed. (For the Irish Workers' Group's analysis see *Class Struggle* no 22 "The Paradox of Irish Economic Development").

Socialist Democracy argue for a rejection of the Maastricht Treaty in referenda. They give an outline, as they see it, of the inability of EU to converge:

"The Maastricht agreement contained a brutal realism about its goals but the means of achieving them were dressed up in a bourgeois idealism designed to disguise the difficulties and disagreements that lay in its path. There was never any hope that the disparate capitalist classes and their economies would gradually converge." (p 21)

We do not deny the existence of economic unevenness within the EU but we do believe that the combined development over the last years has been toward convergence.

Low growth, divergent economic cycles, high labour costs and slow progress towards European industrial integration all put Europe at a disadvantage vis-a-vis its main rivals in global terms – the United States and Japan. Clearly, there will be contradictions and differences between member states on the road to convergence, especially between Britain and Germany.

But convergence and EU unity is a strategic imperative of French and German imperialism. Germany will press for a twin track approach. France and Germany, together with Benelux countries, will strain to achieve the 1999 deadline. The drive towards a form of convergence is a reality, not a fiction.

While correctly detailing what the whole Maastricht project means for workers, Socialist Democracy draw the wrong conclusions. They say:

"The whole Maastricht process – designed to create and strengthen a European imperialism – must be rejected . . . the move towards a united European imperialism is neither inevitable nor progressive. European capitalist integration is not just directed against the US and Japan but also against the European working class...For Irish workers especially it means that the attractiveness of Ireland as a site for mobile multinational investment will depend on relatively low wages and a docile workforce. Thus in any referenda seeking the acceptance of such a programme . . . we recommend a categorical no." (p 25)

This position is in danger of promoting, rather than combating, nationalist ideology amongst Irish workers. The nationalism of a semi-colony – when it acts not in a real struggle against imperialism but as a cover for isolationism, and a lack of struggle against illusions in a "pan-nationalist bloc" – is crippling for the class independence of the proletariat.

Yet it is precisely this sort of nationalism that the "vote no" position encourages.

We argue that the working class should not vote either for or against the EU in referenda. To vote yes is to

To Peace" launched as early as 1988.

In *The Promise of Socialism* there is no balance sheet of what Trotskyists have been doing during the past 25 years.

This is a glaring defect. There is no mention of any other groups by name here – an unwillingness to open up a Pandora's box that would force the three authors of this book to account for the centrist practice of the Irish USFI over a quarter of a century.

For the question has to be asked: what did Socialist Democracy (under their previous names) themselves do at key points of the national struggle in the last three decades?

Nevertheless, at the level of strategic principles in relation to Republicanism and the national question this book represents a welcome and significant step in the opposite direction to that of the USFI leadership, despite its lack of a clear revolutionary programme for today that could translate those principles into a course of action.

Socialist Democracy do address the key question of how to break the Protestant working class from their Loyalist bosses:

"Only in . . . combining the struggle for democracy with that for socialism, and not limiting it solely to the north, is there any hope of defeating imperialism and winning Protestant workers . . . Only this programme can unite workers and reach out to the British working class and others for the international solidarity that will be

required for victory." (p 60)

And:

"Only a programme of uniting all workers north and south offers an alternative to both Loyalism and bourgeois Nationalism. It would represent real proof that a Workers' Republic would not be a 'Catholic Republic' where Protestant workers would suffer the sectarianism that Catholics suffer in the north." (p 92)

It is pleasing to see Socialist Democracy adopt a position that the IWG has fought for over the last twenty years.

We have always argued that Republicans have no strategy for breaking up the reactionary Loyalist bloc along class lines, and that only the fight for a workers' republic can do this. Any version of a bourgeois republic can only offer the Protestant working class semi-colonial servitude combined with the abolition of their present privileges.

We agree that workers' unity must be forged by fighting for a real improvement in the lives of the working class on both sides of the border, whatever their religion. But the goal of unity must be concretised by transitional demands otherwise it is an abstraction.

In *The Promise of Socialism* there is no balance sheet of what Trotskyists have been doing during the past 25 years.

What does this mean? It means workers' joint action, wherever possible, across the sectarian divide, above all in the struggle against cuts, against mass unemployment and against threatened redundancies and a fight for a massive scheme of useful public works by direct public sector labour – under the control of rank and file workers.

It means mass struggle in the streets and around the workplaces for work for all, Catholic and Protestant, at union rates of pay or full maintenance from the British state at the average industrial wage.

A revolutionary anti-capitalist strategy can relate to the real fears that the Protestant workers have of an imperialist deal: scaling down of subsidies and the economic underpinnings of their privileges. These privileges are privileges only in relation to the discrimination that exists against the nationalist community. However, Protestant workers do not have to pass through a stage of "reconciliation" to Irish nationalism before becoming a force fighting for socialism in common with Catholic workers.

Once they have been won to such common struggles the decisive elements of the Protestant working class will realise that have nothing to fear from the republic that they and their nationalist fellow workers will establish under a revolutionary communist leadership. They can ensure that it will be a totally secular workers' republic integrated with workers' states in Britain, Europe and indeed the world. Such a workers' state in Ireland would be more consistently democratic than any bourgeois state and this includes its solution to the national question.

Once British imperialism is driven out and the artificial Six Counties state is smashed, then an Irish Workers' Republic could even grant to any part of Ireland, where a majority did not wish complete integration, the form of autonomy (up to and including separation) wanted by the majority living there and democratically decided upon by that majority.

The only condition would be that it did not entail economic or political privileges for the new majority or oppression for the minority within that area. The Irish workers and their vanguard today do not insist on the forcible integration of the northern Protestants into "the Irish Nation". They do insist that the Protestant/Unionist minority is deprived of its veto on the completion of the unification of the Irish people.

On such a basis progressive Protestant and Catholic workers can be united in a revolutionary party

Such transitional and revolutionary democratic demands are missing from *The Promise of Socialism*. Its authors

favour one form of capitalist development against another. Each form of development has anti-working class implications and must be resisted by the working class. For the working class to line up behind a nationalist bourgeoisie arguing for the rejection of Maastricht, and, as a consequence, espousing national protectionism and economic development would be equally disastrous. It would fatally undermine the independence of the workers and weaken the chances of effective international solidarity between sections of the European working class.

We reject a united imperialist Europe, a "Fortress Europe" – in increasing conflict with its rival imperialist blocs – exploiting the world and condemning whole regions of it to massive poverty and famine. Likewise we reject the alternative system of "independent" rival European imperialisms.

What workers across Europe must do is establish their class independence from both their national capitalists and from the institutions of a would-be European imperialist superstate. Workers should use the heightened transnational consciousness in Europe to build organisations, linked from below, fighting for working class demands and fighting against all the reactionary legislation and constitutions of the EU states.

You cannot evade capitulation to nationalism by arguing for a United Socialist States of Europe in an abstract fashion, as Socialist Democracy do, while marching shoulder to shoulder with the anti-EU chauvinists and Irish isolationists, in any campaign around a referendum.

Obviously we should oppose and vote no on any concrete anti-working class measures, budget cuts and so on, if the bourgeoisie were ever to be stupid enough to put these to a referendum. Likewise when a national bourgeoisie is opposed to the application of limited, but progressive social rights (as Major was for Britain and the Six Counties on the working hours directive) then we are for their application and, if there was a referendum would vote for them.

But when it comes to "in or out of the EU", for or against Monetary Union, for further moves towards a federal state etc., then abstention is the only revolutionary and internationalist course. Getting out or staying in, maintaining the Punt and the sovereignty of the Dail do not represent either gains or goals for the working class since it does not control the Irish state any more or any less than it controls the EU.

The working class can defend its social gains, its TU and democratic rights and ultimately struggle for power just as easily within the EU as outside it.

Even the solution to the national question in the North will be no more difficult to achieve inside the EU than outside of it. Given the EU bourgeoisie's attempted development of semi-state institutions, the task of the Irish workers' movement is to go forward faster than the bourgeoisie towards unity with its class brothers and sisters in Europe.

Staying in the EU does not prevent Irish workers from fighting all anti-working class measures emanating from Brussels. Indeed they can do so in common with the workers of France and Germany who have demonstrated their strength and capacity to fight.

The national Labour movements are no repositories of class struggle which will be ruined by integration. Facing a common enemy, the EU bourgeoisie, is already tending to link workers' struggles. This common struggle should come before, or rather stand instead of, all pan-national alliances and all insularity.

The economic and social changes in Ireland, its much greater integration into Europe is the objective starting point for a transcendence of the narrowness and provincialism inevitable in a tiny semi-colonial state.

The comrades of Socialist Democracy need to rethink the USFI's position on Europe and not cling on to a dogmatic belief that nothing fundamental has changed or can change in Ireland's political and economic situation short of the socialist revolution. ■

fail to spell out in any practical detail how Protestants could be won over. They are expected to buy class unity in much the same way as Republicans are supposed to buy national unity. They are asked to be happy with a general promise of a revolutionary socialist way forward.

Dynamics of Revolution

In their analysis of the Irish Revolution up until they wrote *The Promise of Socialism* the Irish section of the USFI used the abstract schema of the "epicentre".

The epicentre of revolution could be designated to have shifted to whatever area of ferment the centrist USFI wanted to trail behind and act as cheerleader for – at one time China, at another third world insurgency, at another still students.

Within this schema the predecessors of Socialist Democracy, under various names, viewed the epicentre of the Irish revolution as located in the anti-unionist insurgents from 1968 until the launching of the peace process.

Under the pressure of the peace process and the success of the Sinn Féin leaders in selling it to the anti-unionist masses, the authors of *The Promise of Socialism* have shifted the epicentre to the South and locate its focus in the Southern working class.

As part of this "re-think" they have gone to the other extreme and question whether the anti-unionist insurgency in the North, irrespective of its mass scale and leadership, can ever bring the southern working class behind it in a revolutionary upsurge against imperialism.

This view denies, for example, that the nine month all-Ireland mass H-Block struggle of 1980/81 had this potential. In our view, it did have such potential. What was absent was a revolutionary party to lead it to victory.

This adaptation to the conjunctural success of the counter revolutionary peace process, if not corrected, will leave the comrades of Socialist Democracy disoriented in face of the inevitable eruptions of resistance by the anti-unionist masses of the North and especially of the Northern anti-unionist working class.

These are inevitable because of the nature of the Northern Ireland state, the general oppression of all anti-unionists within it and by it and the double oppression of the anti-unionist working class.

The authors of *The Promise of Socialism* are led to the equally schematic position of seeing the southern workers, and their economic struggles against multinational capital, as the new revolutionary "epicentre" in Ireland: the new key to building unity between the workers of the North and south:

"As the majority of the working class exists in the south it is vital for socialists to understand the dynamic through which the southern workers will develop a revolutionary consciousness. This will not come through simple solidarity with the northern struggle, although this will be necessary, but primarily through their own struggle within which the raising of transitional demands can point the way to the necessity for workers to take control not only of their workplaces but also of the state and their country.

"Through this the rotten and undemocratic nature of the present Irish state will be revealed and so will its ultimate dependence on imperialism, especially British, which, as in every other previous revolution everywhere in the world, will attempt to intervene to save it. Only in this situation can southern workers fully appreciate the link between their own struggle and that in the North." (pp 59/60)

No Trotskyist would deny that a pre-revolutionary or revolutionary situation in Ireland could arise in this way.

But a correct analysis of the H-Block struggle would also show that a pre-revolutionary situation could be triggered by the southern working class' solidarity with a heroic struggle of the anti-unionists in the North fighting back against renewed imperialist or Loyalist attacks. To ignore such a possibility for the sake of a new, inverted, schema is a serious mistake.

Conclusion

The book contains many other sections that, for reasons of space, we have not dealt with in this review – women, the environment, the struggle against "social partnership" in the south.

On most of these questions, however, despite the criticisms we would have, the direction of the comrades is towards the left and away from the right centrism of the USFI.

As with the comrades' evolution to the left on the national question, however, each step taken away from USFI orthodoxy begs the question: why remain in the USFI? The answer is given at the end of the book:

"The organisation to which we belong, the Fourth International, set up by Leon Trotsky in 1938 is by no means perfect. However, we are committed to it as the best framework from which to fight for the mass revolutionary international that is necessary to achieve socialism around the world." (p 138)

This marks the current limitation on the comrades' evolution to the left. It marks their continuing adaptation to centrism.

The Fourth International set up by Leon Trotsky in 1938 bears no resemblance to today's USFI. Unlike Trotsky's International it has systematically abandoned the revolutionary programme and perspective in every major revolutionary crisis.

Unlike Trotsky's International it has hailed endless alien class forces – from factions of the Stalinist bureaucracy in Eastern Europe and Cuba, through the Sandinistas in Nicaragua, even the Islamicists in Iran to the Republicans in Ireland – as the legitimate leaders of "the revolutionary process".

The USFI has confined its own role to advising such leaders, not challenging them in the name of socialist revolution and the fight for a workers' republic. (For a full account see *Death Agony of the Fourth International* Workers Power/IWG)

In short, the USFI is an organisation that has long since broken its ties with genuine Trotskyism. To believe that it can become a vehicle for rebuilding the world party of socialist revolution is a hopeless utopia. It has repeatedly proved itself immune to reform by countless "left" factions in its long history. It has proved itself to be an ossified centrist current.

The question of the party cannot be divorced from the fight for the revolutionary programme. In a vital sense, the party is the programme. A centrist party or International, like the USFI, cannot be the means by which we fight for the revolutionary programme. They stand in sharp contradiction to one another.

If the comrades further develop their programme in a revolutionary direction they will soon realise that far from being the "best framework" within which to fight for genuine Trotskyism they will have to break from their International.

For our part – without any ultimatums – we will seek, through joint work and fraternal debate, to hasten that break so that the forces of revolutionary Trotskyism in Ireland can be strengthened and the socialist alternative to Republicanism built in the years ahead.■

● *Ireland in revolt 1917-23 - review page 58*

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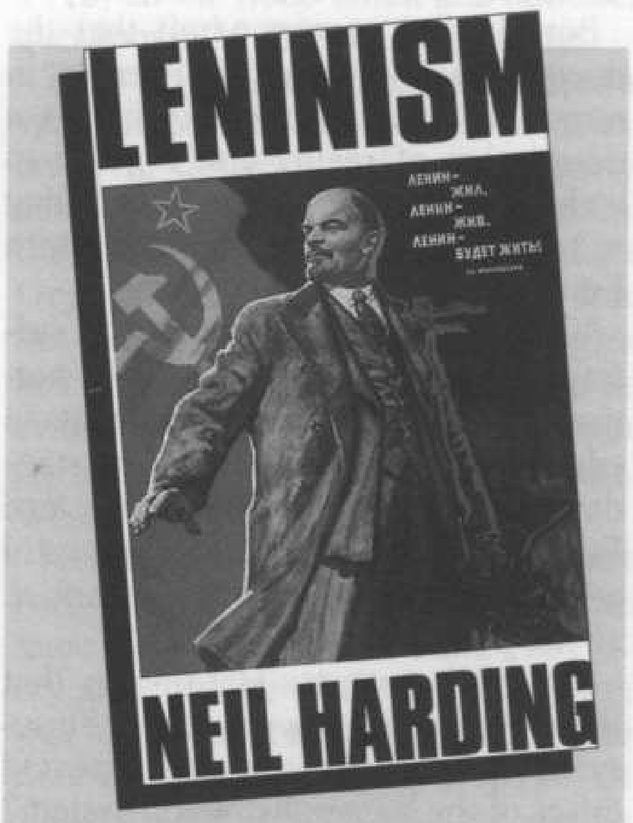

Bill Jenkins reviews
Leninism
by Neil Harding
MACMillan Press 1996
£13.99

NEIL HARDING'S new book, *Leninism*, represents a big disappointment for an author whose previous work contained valuable insights into the development of Lenin's ideas.

Harding summarises much of the material contained in his two volume study, *Lenin's Political Thought* first published in 1977. But 15 years and the collapse of Stalinism has taken its toll of his intellectual honesty. While Harding was always a critic of Lenin he did once see him as a consistent Marxist theoretician, not a skilful and cynical power seeker.

But in Harding's view he was doomed to a tragic frustration of all his efforts by the almost immediate isolation of the Russian revolution which rendered the vision of *State and Revolution* and the October Revolution utopian and forced Lenin to install a Jacobin dictatorship rather than workers' democracy. In his latest book Harding gives vent to stale old bourgeois democratic and anti-revolutionary prejudices which quite simply ruin the book.

Moreover these prejudices are argued with far less perspicacity and conviction than in his earlier critique. As a seminar book *Leninism* simply lacks the rich detail of the two sizeable volumes of his earlier work, whose detailed examination of the core tenets of Lenin's Marxism, the creative evolution (and revolutions) in his thought, made it a worthwhile read even for those who disagreed strongly with many of his conclusions. What is good in the new book is what is preserved and summarised from the earlier one.

One of Harding's most valuable contributions has been to demolish the commonplace fallacy that Lenin was from the start a Blanquist, a Jacobin or a pragmatist who represented a break in continuity with the ideas of Marx. Harding rightly castigates these crude and self-serving misrepresentations, insisting that "...the lineage of Leninism lies firmly within the Russian and European Marxist traditions..." (pp17-18) and that "The passion and commitment of Leninism, by contrast (to the revisionists), derived from its insistence that, in all essentials, Marx was right." (p272)

Harding shows how Lenin developed rather than violated the methodology and ideas of Karl Marx. He argues persuasively that Lenin's concept of the party and the relation of spontaneity to consciousness as set out in *What is to be Done?* (1902), far from being revisionist as the Mensheviks were to assert after the 1903 split, were fully congruent with the established orthodoxy of major leaders of the Second International, such as Kautsky and Plekhanov. He provides an insightful account of how Lenin retained and reasserted the dialectical method intrinsic to Marxism, restoring the key laws of Hegel's Logic to their rightful place in Marxist materialism.

Theory of Leninism

For Harding, the emergence of Leninism as a distinctive theory and movement within the international workers' movement dates from the great betrayal of the Second International in backing the imperialist war in 1914. Lenin's theory of imperialism is rightly understood as the cornerstone of modern Marxism, its internationalism and its conviction that in the present epoch all struggles may develop into a struggle of the working class for power.

Nevertheless, Harding is no supporter of Lenin or Leninism:

"It should not, of course, be thought that to claim theoretical consistency in any way connotes approval or sympathy. On the contrary, the critical stance implicit in this book is that we are better served by politicians less implacable, more eclectic, and above all more tolerant." (p4)

Harding plainly cannot but admire the subject of his life's work, and is well aware of the theoretical rigour of his thought as well as the historic importance of Lenin's actions. But for Harding Lenin emerges as the hero of a Shakespearean tragedy, perhaps a Macbeth. He traces Lenin's theoretical consistency, his daring to the think the unthinkable, his refusal to be daunted by the gravest obstacles, only to condemn these qualities as leading to tragic self-destruction.

Harding's belief that Leninism, as an integrated ideology, only developed after 1917 has a curious effect on his book. It means that the early chapters, in which Harding describes the development of the early Bolshevik Party and Lenin's role in it, are far less critical than the latter part of his work, in which he reasserts the familiar argument that Leninism (and Marxism) were directly responsible for the rise of Stalinism in the USSR. Stalinism is for the Harding of the 1990s the evil but legitimate child of the Marxist concept of the party and of scientific truth as divined by Lenin.

Vanguard party

In the opening chapters Harding provides a very useful (but seriously underreferenced) account of the activity of the pioneers of Russian social-democracy. He provides a timely reminder that Lenin's notion of the vanguard party, and the relationship between the Marxist party and the working class, were common to all the major figures in European social democracy at that time:

"We should be quite clear that *What is to be Done?* was designed explicitly as a summary of the political line of the *Iskra* board of editors..." and "...by far the greatest part of the pamphlet is concerned with a blunt restatement of the well worn (but lately forgotten) orthodoxies of Russian Marxism that harked back to, and directly invoked, Plekhanov's formulations of the 1880's." (p32)

Harding is also clear that this understanding of the party stems directly from Marx's own formulations, for example in the *Communist Manifesto*. Harding's explanation of Lenin's theory of the party is refreshing when compared with those theorists who attempt to portray this fundamental component of Leninism as a departure from Marx. Ironically it is Harding's rejection of Marxism as a whole that enables him accurately to express Lenin's continuity with Marx. This is an irony which haunts Harding throughout the book.

Harding's most valuable contribution has been to demolish the commonplace fallacy that Lenin was from the start a Blanquist, a Jacobin or a pragmatist who represented a break in continuity with the ideas of Marx.

Imperialism

Thus Harding believes that Leninism as an "integrated ideology of global revolution" developed out of Lenin's trauma at the betrayal of his erstwhile comrades who voted for war credits in August 1914, and that his consequent development of the theory of imperialism was a "doctrinaire restatement of the fundaments of Marxism" (p77)

He explains in detail how Lenin's theory of imperialism provided his followers with a comprehensive world view based upon the idea that "capitalism, its political structures and bourgeois values upon which they were based, was in its death throes." (p136)

The ease with which Harding can abandon his former high standards of historical investigation demonstrates the inability of academic thought to transcend what Lenin called "the servility of the theoretician"

Harding's analysis has an important element of truth. Until August 1914 Lenin had certainly registered the existence of an opportunist wing in international Social Democracy, who pragmatically endorsed Bernstein's infamous aphorism, "the movement is everything, the goal is nothing." He was aware that they rejected the fundamentals of Marxism, preferring a gradualist, harmonious method which placed reform above revolution.

Lenin fought this trend in both its Russian and its international manifestations. But before August 1914 he had not appreciated the full extent to which this contagion had infected the whole international labour movement. The German Social Democracy's great betrayal forced Lenin to undertake an examination of the new world epoch to explain how and why it had happened. This was developed through his work on imperialism.

The theory of imperialism as a new stage in the development of capitalism enabled Lenin to understand the international nature of capitalist development and the creation of a privileged and conservative caste – the labour aristocracy – in the imperialist heartlands. It was the interests of this caste that were reflected in the opportunism and social-patriotism of the leadership of the international.

Third International

The experience of the Bolshevik party, which had already undertaken a battle and split from the opportunist wing of Social Democracy, were thus applied to the International as a whole. The international was dead. A new international had to be built – purged of the opportunists who had betrayed in 1914. Again it is ironic that Harding's opposition to both Marxism and Leninism means that he is able to give a reasonably objective account of the divergent positions within the international social democracy.

But Harding cannot admit that the doctrine was correct, not simply in terms of Marxist orthodoxy but as a description of reality and a guide to action. So he criticises Lenin for failing to adapt to capitalism as his Western European counterparts had done:

"Constitutionalism, manhood suffrage, the rapid growth of socialist parties and trade unions, improvements in education, welfare provision and standards of living, had created in Western Europe new possibilities of peaceful advance through democratic means ... all this passed Lenin by." (p51)

But did it not pass Harding by that these "possibilities" were proven illusory by two world wars and repeated crises of the imperialist world system? Surely not. It can only be a crude empirical response to the collapse of Stalinism and a persistent refusal seriously to examine Trotsky's critique of Stalinism than can have led Harding to such crude social democratic conclusions.

Russian Revolution

Harding provides a clear analysis of Lenin's role in the Russian Revolution of 1917. He gives powerful evidence that Lenin was no mere pragmatist and that the April Theses, which argued - against the whole Bolshevik Party leadership - for the seizure of power in 1917, were rooted in Lenin's theoretical analysis of imperialism. Though he underestimates the extent to which Lenin's fight for soviet power was echoed by militant workers and soldiers within the soviets themselves (witness the declarations of the Putilov workers for example), Harding accurately charts how at every stage of the revolution Lenin was forced to fight against conservatism in the party. But for Harding this is not enough. For Lenin could not have known that even though socialist revolution could be won in the Soviet Union, it would not lead to the immediate world revolution. For Harding:

"None of the principal predictions, upon which the whole Russian revolutionary venture was premised, in fact materialised ...what was never conceded was Lenin's (and the Bolsheviks) huge responsibility for inaugurating a venture of total transformation that turned to cataclysm when the predictions upon which it was based proved to be false ... Ideologies, are, in this sense, never innocent; they always wear upon themselves the mark of Cain." (p113)

But Harding suppresses the real alternative which was not some idealised version of "western" civilised, democratic, values but the slaughter of the trenches, Tsarist repression over the workers, the peasants, the non-Russian nationalities and the virulent anti-semitism of the Black Hundreds. The Russian revolution – which hardly appears in Leninism as a real living event during which the masses took the stage of history – simply could not have been stopped at its democratic stage (which meant war and starvation in any case) but would have led, without October, to Kornilovite dictatorship, perhaps via an anarchist-led Petrograd Commune. Should Lenin and the Bolsheviks, like the Mensheviks, have withdrawn to one side or joined the counterrevolution in order to escape responsibility for the possible failure of their endeavour? In this conclusion all the passivity and cowardice of an academic philistine is revealed.

Harding's hatred of Leninism becomes increasingly splenetic as the book progresses. As he develops his analysis of what he defines as the "ideology" of Leninism – imperialism, the state, the party, nationalism and internationalism, dialectical materialism – his conclusions become increasingly one-sided, and the coherence of his writing begins to collapse.

In his haste to discredit Leninism's political and theoretical conclusions he never bothers to address the question as to whether its analysis proved to be true. Thus the chapter of the book on Lenin's philosophical thought crudely conflates the Marxist notion of scientific truth (a close approximation of a constantly changing reality), with a notion of absolute truth that led directly to Stalinist monolithism and its representation of "truth" as an unchanging constant determined by the party. This is deeply unconvincing stuff, in essence little more than warmed over Cold War sovietology.

The state

On the question of the state, Harding's views have also degenerated. In *Lenin's Political Thought* he maintained boldly and accurately that:

"Those who argue that *The State and Revolution* is merely as 'pipedream', an inexplicable voyage into utopianism ... offer , in effect, no explanation at all ... It remains for them an uncomfortable enigma ...this view of the project for socialism in Russia is so profoundly corrosive of the legitimacy of most of the regimes allegedly building socialism in accordance with his ideas that it is either discreetly ignored or, in severely bowdlerised form, held out as the very long-term objective of 'full communism'." (*Lenin's Political Thoughts*, 1983 p323)

For the later Harding Lenin's anti-statism is a "criminal" mistake. He insists that the "simplistic argument that the state was the evil genius of the contemporary world – organiser of internal and international exploitation, divisive and militarist – rendered redundant any discussion about improving its institutions

and procedures, guaranteeing the accountability of its officers, or subjecting its actions and policies to judicial review." (p151)

Harding castigates Lenin for rejecting the legacy of Marsillius, Hobbes, Locke, Rousseau, Montesquieu and Mill. Lenin's:

"utopian anti-étatist ideas were not, therefore, an irrelevant and fleeting pipe dream. Of course, the Soviet state that was in the process of being built stood in flagrant contradiction to this programme." (p152)

Harding condemns Lenin, because his opposition to a monolithic and autocratic state meant that he was in fact in favour of a monolithic and autocratic state. How odd. Throughout his book, Harding has been clear, Lenin was not a pragmatist. He did not make up theory on the hoof. Lenin's theory guided his practice. How is it then that here, and only here, Lenin's theory means the exact opposite of what it says. Is it because this is the only way that Harding can present Lenin as the theoretician of Stalinism?

According to Harding it was:

"... a matter of consummate indifference whether bourgeois states chose to present themselves as parliamentary democracies, constitutional monarchies, republics or militarist dictatorships." (p157)

This is untrue. Harding himself quotes Lenin:

"Bourgeois democracy, Lenin reminded his followers, which is invaluable in educating the proletariat and training it in the struggle, is always narrow, hypocritical, spurious and false, it always remains democracy for the rich and a swindle for the poor." (p176)

So Lenin was not indifferent. In fact far from being "methodologically ill disposed to democracy in the sense of widespread mass participation in, or adjudication of, rival public projects." (p248) Lenin wanted the exact opposite, a democracy that was more extensive than any possible bourgeois democratic parliamentary republic, one that enabled the mass of the poor to take the future into their own hands and decide its course.

Demagogy

Harding's attempts to bolster his arguments by showing how the Bolsheviks were required to limit democracy during the civil war do him no credit, because although Harding is forced to acknowledge the incredibly harsh conditions facing the Bolsheviks, it is obvious that for him Lenin was naturally inclined towards authoritarianism and his theory would have ultimately led him in this direction anyway:

"There was never any room within Lenin's world view for a genuine principled and continuing debate between different, but equally authentic, formulations of the proletarian mission." (p169)

Now this really is scandalous demagogy, not scholarship. Can the writer who displayed such a command of historical detail in his analysis of the early years of Bolshevism really be unaware of the debates and disputes that raged within the ranks of the party in the years of reaction (1908-12), during 1917, at the time of the Brest-Litovsk Treaty in 1918, on the trade union and national questions in 1920/21? Of course not.

The 1921 ban on factions was indeed a very important step, indeed a major error, in destroying this inner party democracy since it opened the road for the party bureaucracy to crush the Left Opposition in the years 1923-27. But instead of recognising the struggles before and after 1921 the ban is cited as evidence that there was "never" room for principled debate in Bolshevism. What a travesty!

Harding's treatment of the Leninist Party and the rise of Stalinism shows the same hasty disregard for truth. The theory and practice of the Leninist party was "its greatest asset and at the same time its greatest liability". (p170) It allowed Lenin to organise the party's members to wield an influence out of all comparison with their numbers, but again:

"The historical methodology of Leninism flatly rejected the basic supposition of democracy, that political differences within society could and should be negotiated peacefully." (p170)

A supposition proven so forcefully by the outbreak of the First World War? Instead of opting, as his "socialist" former comrades did during war time, to declare peace and to side with ones' own government in the slaughter of ones' own class, Lenin preached the opposite, a fact which the post-1989 Harding cannot condemn enough. The Leninist Comintern he says:

"... poured scorn on all those leaders who continued to cherish the illusion that the workers might achieve their emancipation through the existing democratic, parliamentary and legal institutions of bourgeois society." (p 180)

The demand for an international free from those who had colluded with the murder of Karl Liebknecht, Rosa Luxemburg or James Connolly, proved only that the Comintern had a "...studied and harsh attitude towards internal and external criticism and debate ..." (p188)

This apparently meant that the party needed "men like Stalin" (p192) to lead the work of building socialism and the awful paradoxes of this situation:

"were most graphically revealed in the great show trials of the early 1930s, where Stalin, with apparent ease, was able to extract from life-long Communist militants and prominent leaders, lurid confessions about their wrecking and criminal activities within the party which they knew full well, would result in their execution." (p194)

Harding neglects to mention that the "apparent ease" with which Stalin extracted these confessions was the result of torture, concentration camps, hostage taking, and mass murder. Nor does he draw attention to the thousands of Trotskyists who did not recant and paid for it with their lives.



LENIN & TROTSKY CELEBRATE THE OCTOBER REVOLUTION

The ease with which Harding can abandon his former high standards of historical investigation demonstrates the inability of academic thought to transcend what Lenin called "the servility of the theoretician" or Trotsky dubbed the "worship of the accomplished fact". In the era of Brezhnev and student radicalism it was possible to criticise Soviet interpretations from the left and get a post in a university. With the collapse of the Soviet Union and its Eastern European buffer states in 1989-91 the triumphant bourgeoisie demands of its academics that they teach without equivocation the "lessons" of the "failed" Leninist project and the superiority of parliamentary democracy. Professor Harding is willing to recant and thereby prove himself a worthy servant of the "new world order".

Left-wing students today finding this book on their reading lists will have to subject it to the harshest criticism. They will find ammunition for this task in Neil Harding's earlier works.■

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Russia

No more heroines?

THE ATTEMPT to restore capitalism in the former Soviet Union progressed so rapidly because it received widespread support from those who had suffered under Stalinism. This suffering was not limited to a narrow stratum of dissidents. It was endured by all but the bureaucracy, a labour aristocracy of skilled workers and a privileged sector of the intelligentsia.

Stifling party dictatorship, rampant *nomenklatura* corruption, a total lack of any say in the direction of the workplace, let alone the priorities of the national economy, all bred cynicism on a mass scale among the workers - the class whose state this was supposed to be. Secret police surveillance, suppression of all protests or alternative views hampered the collective solidarity of the workers and undermined any positive identification with the nationalised and planned means of production.

Regular shortages of essential items of daily consumption, poor quality goods, and a woeful service sector destroyed all faith in the superiority of planning. This was particularly the case for Soviet women, most of whom had full time jobs but still had to run the domestic economy and spend many hours searching and queuing for scarce goods.

The stagnation and decline of the economy from the mid-1970s, which became an acute crisis in the last years of the Gorbachev era, wiped out any remaining belief in the socialist future. Gorbachev, and then Yeltsin, opened the Soviet media to the propaganda of "western consumerism" and this merely completed the job of making the "normal" world of Western Europe and North America seem vastly preferable to the miserable quality of daily life endured by the great majority of Soviet citizens.

Millions expected a "market economy" to deliver high quality western goods to the shops. Women hoped to see the return of the many hours of their lives stolen from them by the endless hunt for food and clothing. These illusions were rapidly shattered. Goods appeared in the shops, or rather in the street kiosks which mushroomed everywhere, but at massively inflated prices. Few could afford them. The "free market" made its entrance as the freedom to starve, the freedom to be homeless, the freedom to be unemployed,

No More Heroines? explores Russian women's experience of the restoration of capitalism from an avowedly feminist perspective. It is this perspective which leads to the most serious weakness of the book. Bridger, Kay and Pinnick include useful research and information about the effects of restoration but the politics on which their analysis is based offer no way forward for Russian women.

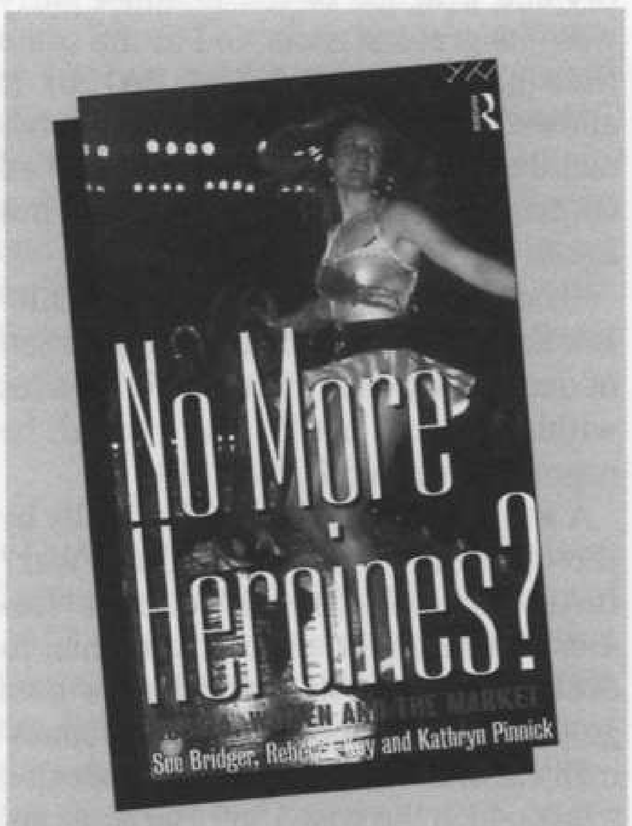
Based on interviews and research carried out in 1993-4, this book provides valuable information and, at times, a lively insight into the current position of Russian women. It shows the total devastation wreaked upon the lives of millions of women since glasnost and perestroika.

Some of the most staggering statistics chart the decline in living standards and real wages. In 1993 one third of all Russian families were living below the subsistence minimum. For families with children under six years of age this figure rises to one half of all families (page 61).

The book also documents the rise in female unemployment within the context of a general rise in unemployment. The figures are difficult to find since a great deal of hidden unemployment exists in Russia. Factories simply close down for months during the year. Their workers do not appear on the unemployment statistics, since technically they still have a job, but they are not producing anything and are not being paid.

The authors quote figures from the State Statistics Committee (Goskomstat) in November 1993 which show official figures for unemployment at 1%, whereas the true figure was 5% with a further 5.4% no longer employed on a full time basis. An International Labour Organisation (ILO) report in November 1994 showed a rise in the official figure to just 1.6%, but in reality unemployment had risen to around 10% with an additional one third of the entire workforce on some kind of "leave" without pay. In one city, Riazan, half of the workers were placed on compulsory leave for the entire summer of 1993.

The reactionary principle of "women out first" is being vigorously applied in Russia. It is estimated that 70% of those unemployed are women. Redundancies have been most widespread in traditionally female jobs. This has led to particularly high levels of unemploy-



Kate Foster reviews
No More Heroines? Russia, Women and the Market by Sue Bridger, Rebecca Kay and Kathryn Pinnick Routledge 1996
Price £8.99

ment amongst women over thirty:

"Specialists in white-collar professions, for example, engineers, economists, technicians, administrative and research staff, were all among the first to be affected. In Moscow, where there is an especially high concentration of research institutes employing women in these professions, they [women over 30] account for 66 per cent of all the capital's unemployed." (p52)

With such high levels of unemployment women are being driven towards prostitution in order to survive. The book describes the explosion of the sex industry in Russia, charting the growth of modelling and its links, often through the Mafia, with prostitution. An example is given of the massive increase in beauty contests, one of the ways into modelling, and the pressure contestants are placed under:

"Reports on several of these competitions imply that the women involved are expected at the very least to sleep with the organisers, and, if they really hope to win, probably everyone from the judges to the lighting technicians as well." (p170)

The authors paint a picture of young women, weighed down by the squalor and brutality of their lives, fighting to survive in a society that has become obsessed with selling. Everyone is a trader, and if you have nothing else you can sell your body. Only a very small number of women, if they are in the right place at the right time, can break out into a life of comfort, if not luxury, in the interlinked sex, entertainment and fashion industries. And even for these women insecurity and a lack of control over their fate is still ever present.

But what the book does not adequately expose is the real extent of formal and informal prostitution, with its miserable conditions and terrible health risks, which huge numbers of women are driven into. They are driven into it by poverty and the loss of their jobs rather than romantic hopes of becoming the mistress of a top businessman. Instead the authors are preoccupied by the spread of sexist ideology and the increasing use of images of women as sexual objects. Against this they put forward the goal of "empowerment" through self-help organisation.

In other words, the feminism of the authors leads them to direct their main fire at the ideological consequences of women's oppression in Russia, not at its material roots.

This approach leaves them completely puzzled by the response of Russian women to one of western feminism's pet hates - pornography. They fail to understand why many Russian women do not want pornography banned. After years of the dour puritanism of Soviet ideology and the lack of any sex education, it is not surprising that many Russian women welcomed the end of censorship and the appearance of some pornography.

Having reprimanded others for bringing a western perspective to the experience of Russian women, the authors fall into that very trap, expecting all women to share the western feminist's hatred of pornography and to see all sexual images of women as in some way exploitative.

Having explored the economic impact of the restoration process and the desperate attempts by women to simply survive, what answers do Bridger, Kay and Pinnick have for the women of Russia?

They examine three women's self help organisations: Image, Missiya and Guildia. Their work combines training, advice and providing some jobs for women. Even the authors themselves, however, admit that their work is on a very small scale and cannot possibly provide a solution to the millions of women facing economic disaster through restoration. However, we are told that work must begin on a small scale.

In the final chapter a Russian woman academic is quoted calling for more practical activities, including jumble sales. And, we are told by Bridger, Kay and Pinnick, western women can help:

"Perhaps at these very basic grassroots levels the involvement of western voluntary organisations might be at its most effective, transferring fund-raising experience and knowledge of self-help initiatives . . . In the light of the very palpable achievements of Russia's unsung heroines in the exceptionally difficult climate of today, this might be by far the most appropriate and effective posture to adopt." (p200)

It is one thing to record the desperate measures Russian women are forced to adopt. It is another to celebrate them and offer to supplement them with "fund raising experience from the west". The answer that these feminists have for Russian women is not only wretched, petty and sub-reformist, it is terrifying in its condescension and complacency.

Only a collective response from working class women can meet the sheer scale of the problem. The authors themselves give only one example of this.

Faced with exploitation and sexual harassment, the Russian models are fighting back. They have organised their own trade union. The authors describe a demonstration called by the models on the eve of the August coup in 1993. The slogan on the demonstration was "Models get paid, not laid!" Despite hostility from the media and the government the women have continued to organise and fight for more employment protection.

What does comes through in this book, despite the confused feminist ideas of its authors, is the anger of many Russian women against the process to which they have been subjected. Faced with the devastation of restoration, Russian women speak with insight and courage. It is their voices which makes this a moving book.

The authors however are monumentally complacent. They admit that only "highly educated women have formed the focus of this study" and thus form "only the tip of the iceberg". What they fail to see is how much this distorts their view of the problem and the solution to it.

The conclusion, entitled "Transition's victims or heroines of survival?", makes it clear that the reason for this is their ambivalence about, or rather indifference to, the cause of the terrible crisis facing women: the restoration of capitalism itself. For them it is simply a fait accompli. Their concern is the usual feminist one of maintaining a "positive image" of Russian women, heroic in their self-help and individuality and even in their attempts to become entrepreneurs.

The authors' concern is the usual feminist one of maintaining a "positive image" of Russian women, heroic in their self-help and individuality and even in their attempts to become entrepreneurs.

They comment that:

" . . . it is hard to avoid characterising women as the victims of economic reform. Yet this would be to ignore two facts; some women have already made gains as a result of the move to the market and many women, even while suffering the knocks of this process of change are displaying levels of ingenuity, tenacity and adaptability which sit uneasily with the notion of victim." (p 103)

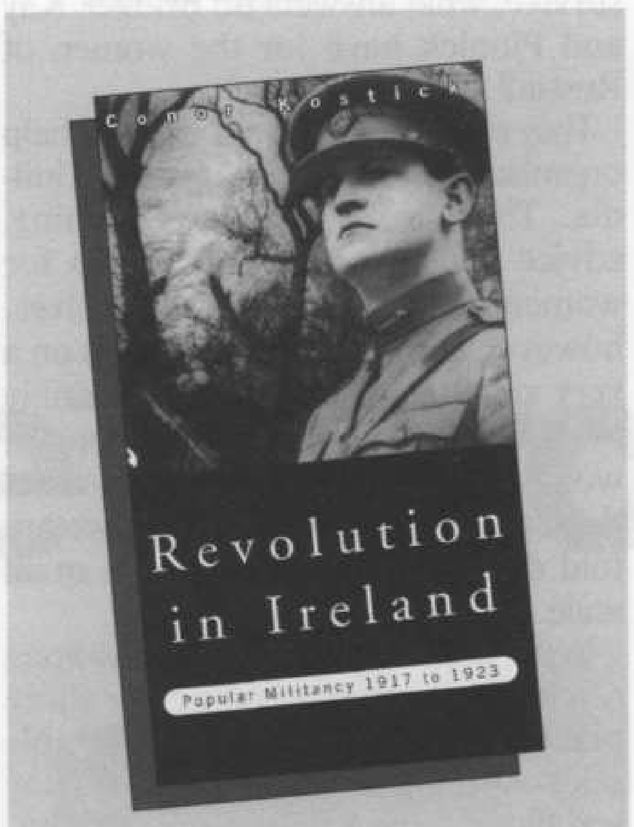
For revolutionary socialists the answer to the problem is very different. It is to be found in the depths of Russian society.

There we will find ingenuity, tenacity and adaptability in plentiful supply amongst women. These virtues are taught by the suffering imposed by both Stalinism and the rampant market forces now at work. But individual, local and small scale organisation will not stop the horrors that are being inflicted on the great majority of Russian women. Sexual exploitation is directly related to women being driven out of social production and to the destruction of the (already inadequate) elements of socialised childcare and other aspects of domestic labour.

Women can only be "empowered" if this process is halted and reversed and if real equality with men, in the home and at work, is won. To do this the restoration of capitalism must be reversed.

That is why the fight for women's liberation in Russia, as everywhere, is integral to the fight for socialism and why working class women must be in the vanguard of this struggle, as were the "heroines" of 1917.■

Ireland in revolt



John McKee reviews
Revolution in Ireland: Popular militancy 1917-23
by Conor Kostick
Pluto Press 1996 Price £12.99

CONOR KOSTICK'S book Revolution in Ireland covers a crucial period in Irish history, the war of independence against Britain (1918-22) which resulted in partition of Ireland. The 26 counties in the South were granted "Free State" status while a Protestant sectarian statelet in the Northern six counties was kept as part of the United Kingdom.

The book's originality lies in the fact that it concentrates on the role of the working class, in town and countryside, in that struggle, something systematically downplayed or ignored in most histories of the period.

Kostick's book is a well researched and lively account but its central themeis tendentious and unproven: that the British agreed to leave the 26 counties because of the growing threat of workers' revolution which led a section of the Irish Republicans to support a compromise with the British.

This theme leads to a number of other political problems, most of which stem from the author's politics: he is a member of the Socialist Workers Party of Ireland (SWPI)

The "Red Years" of 1918 and 1919 saw mass strikes, revolutions and the collapse of imperial dynasties across Europe; Ireland was no exception. The year 1918 saw the opening of a revolutionary period in Ireland with a massive campaign against conscription culminating in a general strike. This was followed by a wave of working class struggle as a result of the ending of the war and the impact of the Russian revolution.

Irish trade unions grew at an unprecedented rate. The Irish Transport and General Workers Union (ITGWU), a union founded on revolutionary syndicalist lines by James Connolly and James Larkin before the war, grew from 12,000 in the Autumn of 1917 to 68,000 a year later and included in its ranks 20,000 newly organised agricultural workers. In 1919 the whole of Belfast was paralysed by a general strike led by the engineers and shipyard workers for a 44 hour week. On Mayday 100,000 workers marched in the city behind red flags.

In the south of Ireland a wave of occupations raised the red flag aloft the factories and several declared themselves "soviets". In May 1920 fifty creamery workers took over their factory in a fight over pay and hours and over the door hung the slogan, "Knocklong Soviet Creamery, we make butter not profits".

This upsurge of workers' struggle took place during, and often as part of, the struggle of the Irish people for independence from the British empire. For not only did the trade union movement grow dramatically after the war, so did the revolutionary nationalist movement Sinn Féin. In the general election of December 1918 Sinn Féin, insisted they would refuse to take their seats at Westminster and argued instead for an independent Republic. They swept aside the old constitutional nationalists of the Irish Party and won a large majority of the Irish seats.

Gathering in Dublin they opened the sovereign assembly of an Irish republic - Dail Eireann. The British responded with widespread repression. The political struggle quickly became transformed into an armed one, waged by the Irish Republican Army (IRA). The guerrilla war against the British army, and its agents in Ireland like the Royal Irish Constabulary (RIC), began in earnest in the autumn of 1919 and continued until the truce of July 1921.

Many of the workers' struggles that Kostick describes were part of the national struggle against the British and were carried out in co-operation with Sinn Féin or the IRA. He devotes a whole chapter to the "Limerick Soviet" of April 1919 when the Limerick Trades Council led a general strike against the brutal murder of an IRA man in Limerick hospital and demanded the lifting of military restrictions placed on the town.

For two weeks nothing moved or was sold without the permission of the soviet. At one stage it even printed its own money. The strike was eventually sold out by the national trade union leadership, the Irish TUC, which refused to organise solidarity action, and by the local leadership which refused to challenge these leaders.

During 1920 dockers and railway workers refused to unload or transport military equipment and personnel; the railway boycott lasted many months. In April that year mass demonstrations, up to 40,000 strong, gathered outside Mountjoy prison where there was a hunger strike by over a hundred republican and other political prisoners, including an ITGWU official and some other trade unionists.

The National Executive of the Irish Labour Party and TUC (ILPTUC) called a general strike and the response was overwhelming throughout Ireland with the exceptions of Belfast and Derry, although even in Belfast dockers struck for 24 hours in protest. Soviets and workers' councils sprung up in many towns and cities. All rail transport stopped north and south. After two days of the general strike the British government capitulated.

It is this particular struggle that leads Kostick to suggest that it was the action of the workers that forced Britain to the negotiating table rather than those of the IRA/Sinn Féin, and to simultaneously claim that the leaders of Sinn Féin were willing to compromise on their demands for a Republic rather than "risk losing support through the national movement becoming too radical".

Thus he says:

"Finally the IRA, while definitely having an effect in forcing police back into the major barracks, were never a force that could defeat the thousands of troops in Ireland. No action of the IRA humiliated the British authorities as much as that of the general strike to release the hunger strikers. The scale of working-class resistance to British rule was a major contribution to the British government's willingness to agree a truce in July 1921." (p138)

Michael Collin's distaste for communism or Lord French's paranoia about Bolshevism will not do as proof that labour unrest was the driving force of

the whole process of national independence. The truth is that although there was widespread unionisation and an upsurge of wage struggles in the 1919-21 crisis, there was not a distinct workers' militia nor an insurrectionary workers' movement separate from the nationalist rising, which could have ousted the British army. Nor were the Irish labour movement leaders sufficiently independent to seriously scare the Irish nationalists into their deal with British imperialism.

Kostick is forced to underplay both the effects of the guerrilla war by the IRA and the massive escalation of the war by the British which would have been necessary, not only to defeat the IRA but to re-occupy southern Ireland and impose British rule. At the same time he has to magnify the workers' upsurge and seriously distort its timescale. Indeed, by the time the British were willing to enter into negotiations, in July 1921, the working class was already on the defensive, as indeed it was in the rest of Europe.

Not only had the repression by the British army and its auxiliaries taken its toll on the workers' movement, with leaders being targeted for assassination and arrest and strikes broken by military repression, but the terrible economic slump of 1920/21 had enormously weakened the trade union movement.

Fear of working class revolution did not lead Michael Collins and Arthur Griffith to compromise with the British. For a start the leaders of the labour movement had shown themselves more than willing to subordinate the independent struggle of the workers to the nationalist movement for the duration of the war or independence.

The upsurge of workers' struggles in Ireland of 1918 to 1920 did not develop to the point where it threatened British rule or even resulted in an anti-working class backlash from the nationalists. Because of a lack of revolutionary working class leadership these struggles, with rare exceptions, fell into two general categories.

Either they remained struggles against the bosses for better wages or conditions or union recognition, and despite their militancy did not link into the struggle against British imperialism, or when they did challenge the occupation forces they remained subordinated to the aims of the national bourgeoisie's struggle for independence.

The loss of leaders like Connolly (shot by the British in 1916) and Larkin (who was in the United States from 1914 to 1923) and the absence of a party which could apply the lessons of the Russian Revolution to Ireland left the field wide open to reformist union and Labour Party leaders, like William O'Brien and Thomas Johnson. These men were happy to reinforce these weaknesses under the veneer of radical phraseology and platonic sympathy for Bolshevism. A nucleus of real sympathisers with Bolshevism emerged in 1919 and 1920 (Sean Mc Loughlin, Paddy Stevenson, Roddy and Nora Connolly and Walter Carpenter), but they remained a tiny grouping.

In November 1918 the ILPTUC met in special conference to discuss the forthcoming election. The leaders proposed abandoning their traditional position of standing independent labour candidates. Thomas Johnson summed up the position of the executive which was subsequently passed:

"Your executive believes that the workers of Ireland join earnestly in this desire, that they willingly sacrifice, for a brief period, their aspirations towards political power if thereby the fortunes of the nation can be enhanced."

The result was that the ILPTUC never challenged the nationalists at either local or national elections until after the treaty establishing the Irish Free State was signed. Nor, in the absence of a revolutionary alternative within the workers' movement, was this position of subordination to the nationalists seriously challenged by the rank and file.

Kostick's book is at its weakest when it deals with the North. While he usefully reminds us of examples of Protestant and Catholic united struggles he twists and turns the argument to try and explain the general mobilisation of Protestant workers behind reactionary Unionism without reference to imperialism or the influence of imperialist ideology on them. Instead we are told that their role in the events that led to partition "did not result from some inherent prejudice amongst Protestant workers"(p157) but rather needs to be seen as flowing from the defeat of the 1919 strike and the recession. We are asked to believe that their attacks on Catholic workers were equivalent to other reactionary movements of workers such as the "pogroms against the left in the aftermath of the November rising in Germany . . . or the Chicago race riots".

Such a position flows from the economism of the SWPI and its belief that Lenin's theory of imperialism is flawed. The SWP vehemently rejects the idea that the working class might be stratified by the privileges provided by imperialism, claiming that this plays into the hands of the nationalists and other anti-working class forces. For Kostick and his co-thinkers if the pogroms and the origins of the divisions within the working class can be explained away by trade union defeats and recession, then victorious trade union struggle can bring about unity once again in the North and South and the national question will be conveniently sidelined.

This position colours Kostick's whole approach to the history and politics of the Irish struggle and the role of the working class within it. While he certainly attacks the "two stage approach", first independence, second socialism, of the labour leaders (p153), he avoids any mention of the strategy of permanent revolution in Ireland. This is because Kostick constantly tries to avoid the issue of the struggle for national independence and unity which Trotskyists believe can only be achieved by the working class taking the lead in both this struggle and the struggle for workers' revolution.

Kostick and the SWP(I) want to try and go around the struggle for national independence, so the slogan of the "Workers' Republic" becomes perverted into an economistic "let's avoid the national question which divides us and concentrate on the issues that unite us, the fight against the cuts, for higher wages and the fight for socialism". Whether they realise it or not this too is a stages theory. First, unite the working class in a victorious trade union struggle and then consider the national question.

The problem is that the struggle for socialism and the fight for a Workers' Republic in Ireland cannot be separated from a struggle to break loyalist workers from the all class Unionist block and the influence of the Orange Order.

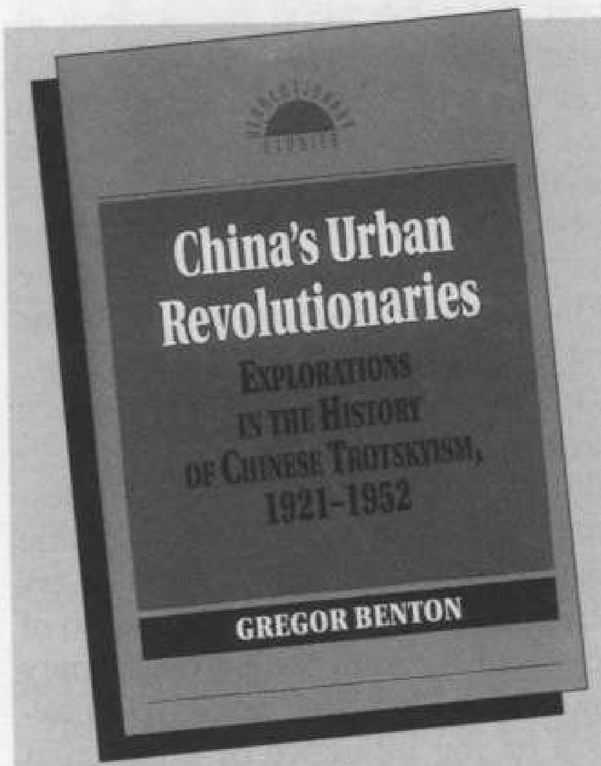
Certainly, that task will be made easier by struggling against the reactionary Catholic Irish state and offering such workers the benefits of a united socialist society. But it cannot avoid tackling head on the deeply held prejudices of the Protestant workers, which are rooted in the privileges they still retain over Catholic workers through the maintenance of their reactionary Protestant statelet.

The failure of the Irish workers' movement to solve this problem both before and during the period covered by Kostick's book, resulted in the failure of Irish labour to emancipate itself and in the abortion of the struggle to drive British imperialism out of the whole of Ireland. ■



MICHAEL COLLINS

Hidden history of the Chinese revolution



Peter Main reviews
China's Urban Revolutionaries, Explorations in the History of Chinese Trotskyism, 1921-1952
by Gregor Benton
Humanities Press 1996
Price £12.99

THIS IS A book whose principal purpose is to set the record straight on the role and contribution of Trotskyists and Trotskyism in China between the foundation of the Communist Party in 1921 and the consolidation of Mao Zedong's Stalinist regime in 1952.

It might be assumed that this means a step by step refutation of the old Stalinist slanders about the Trotskyists being "fascist agents" or "collaborators with the Japanese". But, as Gregor Benton points out, most of this rubbish has been exposed long ago and no serious scholar would now repeat it.

Instead of proving what the Trotskyists did not do Benton rightly chooses to outline who they were, where they came from, what they did, what they thought and, as far as possible, what happened to them.

The author modestly characterises the work as a digest of other studies published over the last fifteen years rather than a study in its own right of the remaining Chinese Trotskyist archive. But the book itself performs a service to the general reader who is unlikely to come across the material otherwise.

Although he has drawn on á wide variety of sources, Benton makes no bones about his central reliance on the memoirs of two of Chinese Trotskyism's central figures: Zheng Chaolin, who was arrested in the general round-up of 1952 and only released in 1979; Wang Fanxi who was sent from Shanghai to Hong Kong in 1948, in order to preserve a safe organising centre, only to be expelled by the British to Macao from where he could not re-establish contact with his comrades.

Until now, the most widely read accounts of Trotskyism in China have probably been those of Peng Shuzhi and his partner, Chen Pilan who also got out of China before the clampdown and attended the Third Congress of the Fourth International in 1951.

Part of the significance of Benton's book, therefore, derives from the fact that both Zheng and Wang were members of the faction opposed to Peng and clearly have an axe to grind with regard to the divisions within Chinese Trotskyism and to Peng's role in the revolutionary movement.

Benton makes clear where his sympathies lie when he says of Peng:

"If he had been allowed to stay on within the leadership of the official (i.e. Communist, ed) Party he might have been a worse Stalinist than Qu Qiubai who, by comparison, was quite liberal-minded".

This is not just a matter of settling old scores. The divisions within the Trotskyist movement did do it considerable damage; it is right that new generations of revolutionaries should know more about their origins and content. Nor does the author allow the quite apparent personal animosities to obscure the bigger picture of the extraordinary story of the Chinese Trotskyists.

The opening chapters of the book are broadly chronological, charting the development of two separate Trotskyist currents. One originated amongst Chinese revolutionaries studying in Moscow in the late Twenties; the other developed simultaneously amongst established Communist leaders in China after the disastrous policy of collaboration with Chiang Kai-shek led to the Shanghai massacre in 1927 and the White Terror against the Communist Party and the trade unions.

Subsequently, however, the book adopts a more thematic approach. One chapter is devoted to the relationship between the father of Chinese Communism, Chen Duxiu, and the Trotskyist organisation, of which he was the General Secretary after 1931.

Others consider the impact of Trotskyism on the Chinese Communist Party, its relationship to democracy, its positions regarding the war with Japan and its role within Trotskyism as a whole.

There is also a chapter on Trotskyism's impact on the "World of Letters", an interesting inclusion because the ability of Trotskyism to attract and influence internationally renowned writers and intellectuals such as Chen Duxiu and even Lu Xun says a great deal about its impact on Chinese society as whole.

The first half of the book ends with an assessment of "Chinese Trotskyism in Historical Perspective" and it is in this that Benton's own views come most clearly into focus.

The general tenor of his argument can be seen from his observation that a "fundamental tenet of Trotskyist theory was put into practice not by the

Trotskyists themselves but by the Maoists, who arrived at it more or less by trial and error."

What is being discussed here is the proposition that the Trotskyists' main aim was, "to overthrow capitalism and replace it with collectivism" and that the anti-capitalist dynamic of the Chinese Revolution would not allow for Mao's "several decades of New Democracy" (i.e. bourgois democracy).

This is essentially a version of the view, which became dominant in degenerate Trotskyism in the 1950s, that Stalinism (Maoism, Castroism, Titoism etc) was obliged against its will to carry out the strategy of Permanent Revolution: that it could be transformed into a "blunt instrument" for revolution because its leaders were, even despite themselves, "unconscious Trotskyists".

Benton develops this point in order to show that the goals of the Trotskyists were not utopian. But he leaves out of account the fact that the Maoists carried out their overthrow of capitalism by counter-revolutionary means.

What they achieved was not a rough approximation of the goal of the revolutionary programme but its exact opposite. They created a state which has shown time and again – from the arrest of the Trotskyists in 1952 to the famines of 1960 through the Cultural Revolution, the reintroduction of free market agriculture and the Tiananmen massacre – that the ruling Stalinists are the biggest obstacle to socialism in China.

Benton's view of the strategy and tactics adopted by the Trotskyists is marked by a similar accommodation to Maoism.

He echoes Wang Fanxi's estimation that the decision to remain within the cities and oppose attempts to build military detachments in the rural areas was, "a very grave and absolutely unforgivable political mistake". This certainly seems to imply that the small forces of Trotskyism would have fared better in the vast Chinese interior than they did continuing to work underground in occupied Shanghai.

Yet Benton also correctly reports what happened to those Trotskyists who did make the attempt.

Wang Changyao and Zhang Sanjie led a two-thousand strong guerilla force in Shandong, a coastal province between Shanghai and Beijing, but they were wiped out by the Maoists.

In Guangdong province, near Hong Kong, the Trotskyist guerilla leader Chen Zhongxi was killed in battle with the Japanese. It is, therefore, difficult to see how a decision in favour of a more rural orientation would have been more successful.

In any event, Wang Fanxi's assessment is broader:

"It is impossible to say for certain whether we could have built up a force strong enough to compete with that of the CCP, but at least we would not have ended up as we did. During the war, our organisation was practically obliterated. Some of our cadres even starved to death and we made no active contribution to the resistance. After the war we were too weak to take advantage of the pre-revolutionary situation that had opened up, and we adopted an entirely passive attitude towards the civil war between the CCP and Guomindang."

The question that arises from this, surely, is why there was this "passive attitude" in the four years between the Japanese defeat and the CCP victory. Benton deals with this all too briefly in just a couple of pages.

Having already explained that the Trotskyists had split over their attitude to the war with Japan, once the USA entered into direct military alliance with Chiang Kai-shek, he outlines the two positions.

Peng from the start took a line similar to that of the FI: namely, that war against Japan was a progressive act and a united front with Chiang a principled undertaking.

Against this view, Wang and Zheng argued initially that Chiang was now just the junior partner in America's inter-imperialist war, therefore, they should, "lay more stress on the victory of the revolution than of the war."

In the course of the war, Wang and Zheng developed this position into what they called "revolutionary victoryism" by which they meant that the war was indeed progressive, but only a revolutionary government could lead it to victory; therefore, there should be no let up in the political struggle against Chiang.

Had there been a united organisation and a degree of comradely solidarity amongst the two tendencies, a revolutionary policy could have been developed out of a debate between these positions.

However, neither condition existed. During the initial dispute, Peng refused even to allow the minority access to the Internal Bulletin and this split the group, with a majority eventually siding with Wang and Zheng.

The resulting demoralisation, against the background of the occupation of Shanghai by the Japanese, can only be imagined.

These divisions, which once again reflected the original tensions between the younger comrades returning from Russia in 1928/9 and those who had been in senior positions during the great defeat of 1927, continued to plague Chinese Trotskyism after the war.

Tragically, what they agreed upon was an estimation that Mao's CCP had been transformed into a petty bourgeois peasant party which would be unable to lead a revolutionary movement against the re-imposed Guomindang government.

Consequently, they both tended to stress the opportunism of Mao's proposal to maintain the united front and his campaign for "New Democracy", believing that the outcome would be, at best, a shabby cross-class government which would be inevitably pro-capitalist and incapable of introducing any qualitative changes into Chinese society.

What defeated the Trotskyists in China was not their commitment to a utopian programme but the scale of the physical forces arrayed against them.

The combination of years of oppression, internal divisions and hostilities and this dramatically incorrect analysis of Stalinism in its Maoist form, combined to produce a passive perspective which anticipated little change in the post war period. Indeed, it would also explain the later conclusions, parallel to those of the Fourth International from which they remained isolated, that since Mao did proceed to take anti-capitalist measures, he was not a Stalinist. Wang Fanxi even flirted with the ideas of bureaucratic collectivism for a short while.

Gregor Benton's approach to all these questions is broadly in sympathy with Wang and Zheng, but he seems to see his own role as that of a presenter of their side of the story rather than as a committed advocate. As a result, his commentary seems rather disengaged, despite the fact that he has devoted years of research to his subject.

The lasting impression is that the Chinese Trotskyists were prophets ahead of their time; that their politics were simply inapplicable for the period in which they lived; and that their value lies solely in their moral stature.

Although wrong, in Benton's view, they were dedicated to the highest principles, they never wavered, they never surrendered and they have bequeathed to today's generations a revolutionary inheritance which, in a transformed and industrialised China, can now have real meaning.

This may even be the survivors' own view of themselves. But without for one moment detracting from their truly heroic record, it is a wrong conclusion.

What defeated the Trotskyists in China – whatever particular errors they may have made – was not their commitment to a utopian programme but the scale of the physical forces arrayed against them. Any other conclusion legitimises the counter-revolutionary politics of Stalinism in the past and leaves revolutionaries in today's Third World with no revolutionary strategy or orientation.

Benton's approach, however, does have one very positive consequence.

He has included as a lengthy appendix an article by Zheng Chaolin himself, written after his release from prison in 1979, in which he recalls and evaluates the role of Chen Duxiu in the whole Chinese revolutionary movement from the turn of the century.

Given that Zheng's own memoirs are not yet available in English, this inclusion is a real bonus for anyone trying to understand the tumultuous course of history in China in the first half of the century.■

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