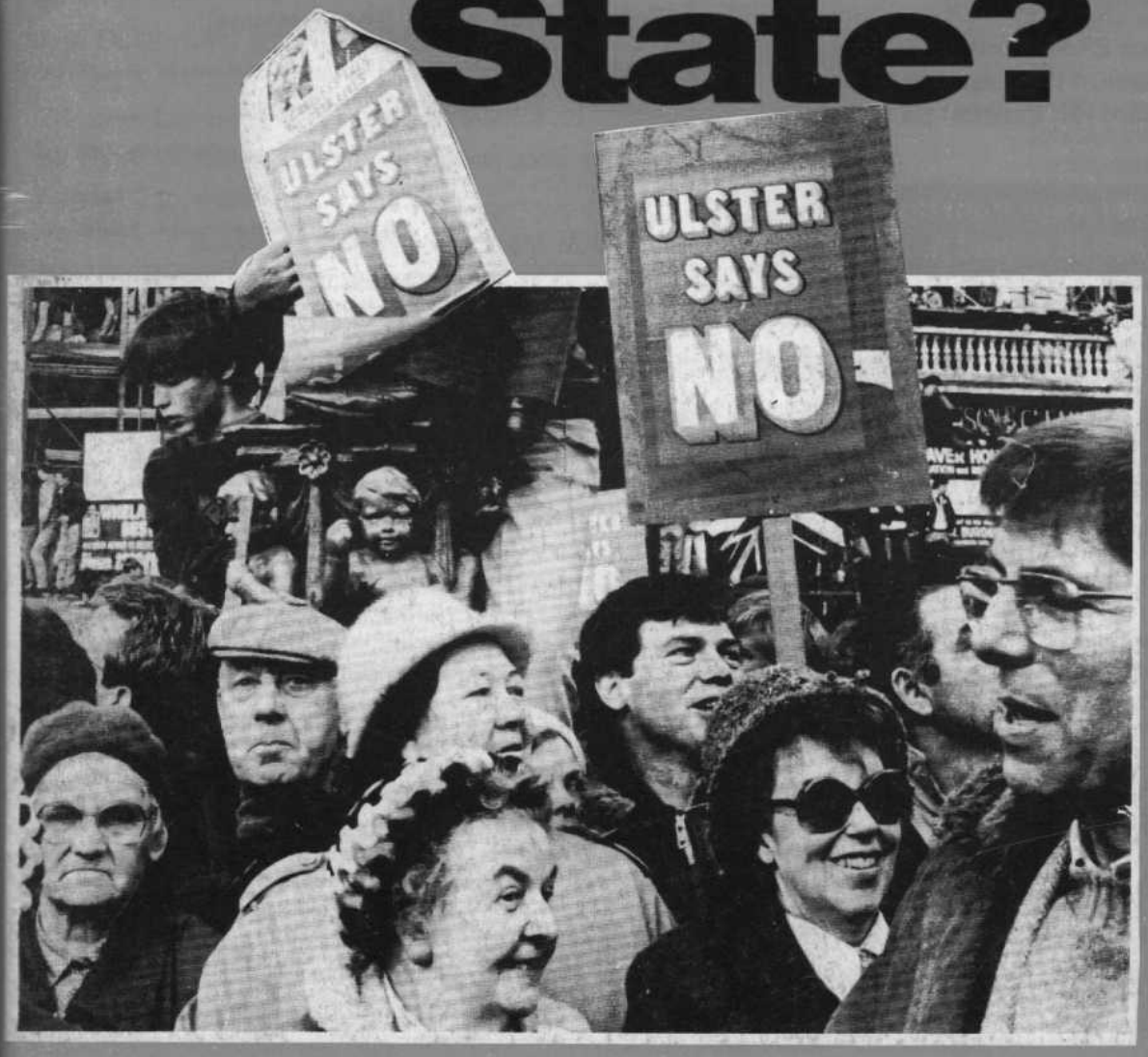
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Cover: Protestant loyalists protest against the Anglo-Irish Agreement in 1985

Foreword

In this double issue we devote space to an examination of the structural weaknesses in the capitalist world economy as reflected in both the crisis and recovery phases of the latest cycle. In two connected studies we outline the effect of the growing inter-imperialist rivalry in driving the European bourgeoisie to attack workers' social welfare gains and the tendency for women workers to be drawn into part-time jobs at the expense of male employment.

The contradictory political character of the present period is reflected in the pages of this TI, one the one hand, by an analysis of the Chiapas uprising in Mexico and the challenge presented to Brazil's bosses by the Brazilian Workers' Party. On the other hand, two articles trace the rise of fascist forces in Russia and the resistance to an imperialist settlement in Ireland by the reactionary loyalist bloc.

We continue our exposition of the national question with a study of the Bolsheviks' record in power and with the more contemporary issue of the national identity of the Bosnian Muslims.

Our polemic is a timely critique of the *Congress Militant's* opportunist attitude to an ANC as South African black workers go to the polls for the first time. ●

Uprising in Chiapas: reforms prompted by rebellion

The uprising of the EZLN (Zapatistas) in Mexico caught the government off guard. Stuart Corby reports.

In the early hours of New Year's Day a poorly equipped guerrilla force of 800 peasants and indians took over several towns in the Mexican region of Chiapas. The Zapatista Army of National Liberation (EZLN) demanded "work, land, housing, food, health care, education, independence, freedom, democracy, justice and peace".

They demanded agrarian revolution, confronting the major barriers to progress in Chiapas—the latifundists (big landowners) and the *caciques* (political elite). The EZLN have also demanded rights for women and an end to discrimination and racism. They indicted the Salinas government for perpetrating policies of genocide against the indigenous people by signing the North American Free Trade Agreement (NAFTA), calling it a "death sentence". They also called for all workers in foreign owned Mexican plants be paid the same wages and benefits as workers in the home country of the foreign company.

The rebellion took the regime of President Carlos Salinas Gotari completely off guard. Only on 3 January did the Mexican military launch a ground and air offensive to recapture towns that had been taken by the EZLN. Troops sealed off the region preventing the press from witnessing how they terrorised the peasants. The initial body count of 80 killed in the first days was later substantially rounded up into the hundreds as it was learned that the army had taken many peasants from their houses and summarily murdered them. After the Mexican army had swept through Ocosingo, Las Margaritas and Altamirano the dead were found with their hands tied behind their backs and signs of torture.

Still they failed to crush the EZLN. The Zapatistas merely dissolved into the mountains and the mass of peasants stood firm against the repression. Peasant, indigenous and workers' organisations declared their solidarity with the EZLN, first among the people of Chiapas, and then rapidly throughout Mexico. In the Chiapas rebellion millions saw a struggle to unite around and began to press for national political reforms.

Salinas was forced to negotiate his way out of the crisis. He cannot afford a protracted guerrilla war like that of El Salvador or Guatemala. It would threaten the inward investment promised as a result of signing NAFTA. More pressing, Salinas and his party, the Revolutionary Institutional Party (PRI), in power for more than 60 years, face an election on 21 August.

The PRI only won the presidential elections of 1988 as a result of widespread election rigging. If the Chiapas rebellion ignites a more generalised social and political movement against the government then even the PRI may need more than vote-rigging to stay in power.

The rebellion clearly has very deep roots in Chiapas. Peasants and workers have been subject to decades, even centuries, of the most brutal exploitation and oppression. Not until 1842 was Chiapas forcibly integrated into the State of Mexico. The region borders Guatemala with which it still has close ties. More than 30% of Chiapas' population of 3 million are indigenous. At least nine ethnic indian groups are recognised, eleven including the 80,000 Guatemalan peasants who sought refuge there from the genocidal actions of the Guatemalan government.

The Chiapas is a symbol for every betrayal of the Mexican Revolution (1910-20) ever presided over by the PRI. Malnutrition is rife. The region is incredibly rich in mineral and energy resources yet Chiapas remains the poorest region in Mexico. It produces electricity for the whole of Mexico. There are enormous reserves of oil particularly in the Lacandona jungle where the EZLN is said to have been founded. One of the major industries is logging, an industry controlled by large private concerns which rapidly denude the forests.

In the last decade malnutrition related illnesses rose more than sixfold. Some 77% of children were found to be totally malnourished. In education things are no better. More than 30% of Chiapanecans over the age of 15 are totally illiterate and in 1990 sixty two percent of the registered population under 15 had not completed their primary education. Housing for the vast majority is primitive. Over 70% of homes in Chiapas receive no electricity and 57% of houses have no running water, yet it is through damming the water that much of Mexico's electricity is produced.

Agriculture employs most people in Chiapas. This region alone produces 30% of the national agricultural surplus. But it is the contradiction between the wealth of the land and the lack of land held by the mass of the peasants that forms the mainspring of the Chiapas revolt.

Most of the region's land is divided into *latifundio*, the great estates. The coffee and banana plantations are concentrated into the hands of less than 20 latifundists. The majority of indigenous and immigrant peasants, however, either eke out a poor living in the mountains or on small parcels of land. Such farming remains largely subsistence. The only way they are able to increase their earnings is by working for the latifundists. The poverty that is caused by the miserable wages the latifundists pay is hard to match. Some



80% of Chiapaneco families receive less than $25 a month. Often peasant and immigrant workers are not paid at all.

The latifundistas control every level of Chiapaneco society, primarily through their domination of the local PRI apparatus. They use their wealth to buy the acquiescence of local political institutions, the police and the military. When an indigenous person or a peasant takes out a grievance with the local courts against a landowner they are never surprised to find themselves in prison, fitted up for some petty crime. In this way the landowners have deflected the intended effect of the many legal reforms that were supposed to chip away at their power.

The landowners have also consolidated their power through the violent rule of their private guards. Any peasants who resisted the exploitation and injustices of the system were brutalised by the goons of the landowners and often murdered. Such practices persist under the cover of the legal apparatus of the local political regime.

In addition to the political apparatus and repression the landowners have used the ethnic diversity of the Chiapanecos to their own benefit. One group is set against another through preferential treatment of one over the other.

In addition to the many different indigenous groups centuries of immigration have brought more groups. Following the logging industry came many poor workers in search of employment in the jungle.

Many peasants were forced to seek new land as a result of being chased off estates in other regions. A lot were even forcibly transported. This century has seen more migration than ever. Since the 1940s the majority arrived as a result of the defeat of the agrarian revolution and the subsequent backlash from the landowners.

The development of *caciquismo* was an essential weapon for the landowners. By encouraging and supporting ruthless community leaders, those who were prepared to crush their own people for a share of some crumbs from the landowners table, the landowners maintained their hegemony in the face of fierce peasant resistance. A prime example is the way they employed thousands of the Guatemalan refugees at even less rates than they were paying the Chiapanecos.

The latifundists and *caciques* benefited even more from the Salinista agrarian counter-revolution after 1988. The government set out to break up the *ejidos*, the communal lands traditionally farmed by the middle and poor peasants.

This land was the greatest legacy of the Mexican Revolution and the later wave of agrarian reform in the 1930s. As a result of the loss of these lands farming has become unviable for many of these peasants forcing them to sell up their own small parcels (often indebted) to the latifundists.

NAFTA was a further blow. It opened up Mexico's markets to North American agro-industry. It makes maize—the predominant surplus of the poor Chiapas peasant—unsellable against foreign competition in local markets. Sugar and coffee were already hard hit by the collapse in global market prices.

For the peasants of Chiapas it meant the closure of sugar-processing plants and the collapse of many sectors of agriculture. The aggressive cuts in state expenditure, yet another weapon in the neo-liberal armoury, have destroyed what little welfare provision existed.

The uprising is not an isolated event in the struggle against exploitation and oppression in Chiapas. There is a long history of peasant and indigenous struggle in the region. The organisation of the Indian Congress in San Cristobal de las Casas in 1974 was an important event in developing solidarity between the four ethnic groups that attended, around claims for land, access to business, better education and health.

From the beginning of the seventies right up to today many different independent organisations of struggle have emerged, including trade unions that organise agricultural workers and workers in related industries. However, to date none of these organisations have been able to unify a significant majority of either the peasants, workers or indians, to smash the power of the *caciques* and the latifundists. Many of these organisations are characterised by corruption. Some organisations even have strong links with the PRI.

In part this explains why the EZLN was formed, in desperation at the lack of progress in securing the peasants' and indians' demands by other methods. In bringing the PRI to the negotiating table it at first sight seems to have justified a turn to guerrillaism. But this would be a mistaken conclusion.

True, a revolutionary action, breaking with the corrupt institutions of the Mexican state (including many bought and sold "workers' leaders") allied to impeccable timing has brought forth the promise of reforms.

But the danger is that the reforms offered in early March to defuse the rebellion will demobilise the armed

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struggle and leave little in its place by way of self-organisation. The reforms offered include clinic construction, a road building programme, land reform and a new state penal code.

Each reform is proof of decades of injustice and inequality. But with the elections out of the way in August what hope is there that the reforms will be implemented, what prospects that the promise of a new armed rebellion will force the new government to make further concessions?

Armed insurrection is a tactic for revolutionaries. It comes at the end of the broadest political and social mobilisation of the oppressed masses. If the EZLN bury themselves in the jungle and cut themselves off from the day to day struggle of workers and peasants they will condemn themselves to a future similar to that of the FMLN, the Senderistas, the ELN, FARC and EPL of Colombia.

They will prove no match for the Mexican army, determined on liquidation, and they will find that they have not built up the strong self-organisation of the peasants in whose name they speak. The key task is to build really strong, politically independent worker and peasant organisations armed with a revolutionary social programme.

A revolutionary programme for Chiapas must address the immediate problems of the oppressed; land hunger, social needs, indigenous rights. But one pressing question is the army and police which must immediately be forced to withdraw from the region.

Instead of dedicated bands of guerrillas training in the mountains there is an urgent need for their experience to be used to train working peasants in the arts of self-defence against the actions of biased police and private goons of the latifundists.

Meanwhile, the corrupt State and local governments must be closed and free elections organised immediately. All the election procedures must be open to the scrutiny of workers', peasants' and indian councils.

To resolve the central economic problems, the land question, poverty and unemployment, peasants and workers must take control over their own destiny. No faith can be put in the short term opportunistic promises of the PRI, which are likely to be forgotten the day after they are re-elected.

Now is the moment to break the hold of the *caciques* over the local administration.

New elections for regional assemblies, supervised by peasants' and workers' organisations. The EZLN wrongly refused to press for the local corrupt officials to be brought to justice—all those with blood on their hands must be brought to account before peasant and worker tribunals.

The peasants must not wait for PRI promises on a fairer land distribution to be made good. They should take the land for themselves by seizing the *latifundios* and democratically redistributing under the control of peasants' and workers' councils.

All privatised industries must be taken over by the State and control of the factories and places of work placed in the hands of the workers.

Peasants and workers must demand that any increased central funding to provide for a better infrastructure should be placed under the control of peasant, worker and indian councils. The public works must include the provision of fresh running water and electricity for every household in Chiapas, the building of schools, hospitals and clinics.

Training of staff for the new installations must be a priority, funds to be raised from levies on all the super-profits of the logging and oil companies and other industries.

The Salinas government have said they will address the needs of the indigenous people by funding a local radio station and appointing an attorney general for the defence of indian rights.

While these are cosmetic reforms there is no evidence that the EZLN has demanded self-determination for any of the people of Chiapas.

In spite of the fact that the majority of the EZLN are Tzotziles, Tzeltales or Tojolabales there has been no demand for the independence by these peoples.

On the contrary, the EZLN correctly recognised the need to integrate the struggle of the Chiapas peoples into the general struggle of the oppressed masses throughout Mexico.

The Chiapas rebellion is a blow to all those defeatists in Latin America who said that direction action outside the framework of the constitution is doomed to failure. It rebuts those who preached that neo-liberalism cannot be pushed off its chosen course.

If by putting the PRI into retreat the Chiapas peasants and workers can inspire all exploited Mexicans to remove the agents of the PRI in their ranks and rebuild strong lasting organisations of struggle then this will prove to be the EZLN's enduring legacy. ●

The resistable rise of Russian fascism

Dave Stockton assesses the significance of Vladimir Zhironovsky's rise to prominence and the prospects for his party.

The Russian elections at the end of 1993 revealed a powerful polarisation of society. Russia's economic collapse, more severe than the one Germany suffered in the years before Hitler's rise to power has led to the growth of Vladimir Zhirinovsky's Liberal Democratic Party (LDP).

A proto-fascist party the LDP gained 15 million votes, nearly one quarter of those cast. In the new Duma it was the largest single party in terms of vote received and seats won on the party lists.

Vladimir Zhirinovsky, despite his often crazy statements, is no flash in the pan. He gained six million votes in the 1991 elections. Since then his main stock in trade has been ferocious Great Russian chauvinism with strong racist overtones. He has long campaigned over the fate of the Russian minorities in the other CIS states and against the presence of non-Russian minorities in the cities of central Russia.

He is for a ban on non-Russian refugees coming into Russia. He calls for the dissolution of the current ethnic republics in the Federation. He openly advocates Great Russian dominance over all other ethnic groups.

The LDP, founded in 1990, was probably a front organisation created by the KGB and hardliners like 1991 coup plotter Anatoly Lukyanov to discredit the "democrats" and confuse the electorate. Yet unexpectedly his chauvinist message struck a deep chord with sections of the electorate. Not only was he a chauvinist but he came from outside the circle of the nomenklatura, which he denounces violently as corrupt, cleaning up on the state property. He presents himself as the champion of the common man against the old and the new elites.

Zhirinovsky's economic programme includes an end to any aid to the former soviet republics, stopping the closures of arms manufacturing factories and no conversion of these factories to civilian uses. He also promises the liquidation of the organised gangs which run the virulent and extremely violent black market.

This is an extremely populist programme but it is not an anti-capitalist one. His fulminations against the "informal economy", which obviously strike a chord with people suffering rampant inflation, are directed more against the non-Russians who in his view dominate it, than against the "market" as such.

Zhirinovsky's economic plans include a commitment to preserving a strong state sector especially the military-industrial complex. He has also taken up the demands of the large state enterprise managers for the reintroduction of state orders and restoring inter-enterprise links. The state should also "organise the labour market" to avoid both unemployment and strikes.

This programme does not represent any kind of defence of post-capitalist property relations. Fascists are also frequently defenders of a large sector of the economy controlled by the state; not in order to abolish private capitalists, rather to protect them in times of economic crisis. In Zhirinovsky's case it is a programme for creating a strong Russian capitalism. Zhirinovsky's corporatism is part of a state-capitalist programme for restoration which will ensure the creation of a Russian imperialism, not under the domination of foreign multinationals. He shares this programme with a whole range of politicians from the centre rightwards.

His most unique feature is the role he assigns to a strong army and the restoration of the territorial unity of the former USSR as the Russian State. He has threatened not only all the republics of the former USSR with re-absorption but also, in his wilder flights of demagogy, Finland and Alaska, thus indicating the imperialist ambitions Zhirinovsky envisages for Russia. And this seems to have won him a disproportionately high vote amongst soldiers and former soldiers.

How then has Zhirinovsky succeeded in gaining the support of nearly a quarter of the Russian electorate? A large section of the electorate has had its illusions in capitalist democracy shattered by economic reality and yet remembers the stagnation and political repression of Stalinism.

Industrial output continues to decline, inflation is rife and massive unemployment is expected. Whilst some wages have been increased as price controls have been lifted, those on pensions and in low paid work have been affected severely. Chaos at the level of the economy is mirrored by social breakdown.

Black marketeering and profiteering has become rife. The levels of corruption if anything appear to have increased since the days of the Stalinists. In an opinion poll published in December, 42% described the current state of Russia as one of "increasing anarchy".

Zhirinovsky promotes—like many fascists before him—a "third way". Zhirinovsky himself is clearly a fascist and he has has obviously found strong electoral support. But it is not the case that fascism is close to triumph in Russia. Firstly, the programme of the party put before the electorate was a violently



chauvinist one, but it was not overtly fascist. As with fascist leaders like Le Pen in France, Zhirinovsky has to hide his full intentions behind a smokescreen of outbursts, denials and retractions.

Sometimes he has praised Hitler, only to deny that he is a Nazi. Obviously, in a country where 20-30 million people died in the war against the Nazis there are distinct limits to the popularity of identifying with Hitler.

At the moment he sees his road to power as through the electoral process, through the presidential elections which must come by 1996 at the latest. It is noteworthy that Zhirinovsky repeatedly advocated a "yes" vote for Yeltsin's "authoritarian" constitution

He is fond of saying that Russia needs a strong man and not a parliament. He has also claimed that he would ban or crush the Communists, that he would ban all parties (including his own!). He clearly hopes to inherit the Presidency at the next elections.

At the same time he appeals to the army and sections of its high command. Consequently many in his party, including some of its leaders are not yet fascists. Zhirinovsky thus has to combine notoriety with a degree of continued electoral respectability.

There are open hard core fascists in Russia. There are currently six openly fascist groupings in Russia. There are also a number of extreme nationalist groupings which have links with fascism. Zhirinovsky is wary of their fate. Like most other political forces up to the 1993 elections they have failed to develop a strong, centralised party organisation or a mass base.

The essential difference between fascism and other far right dictatorial movements is that fascism attempts to mobilise a mass movement capable of crushing working class opposition.

It aims to do this initially separately from, then as a powerful supplement to, the normal mechanisms of state repression, the police and the army, when the latter have proved insufficient to this task.

Trotsky always argued that what distinguished fascism from all other forms of dictatorship and bonapartism was precisely the mobilisation of masses of plebeian classes; the petit bourgeoisie, the non-class conscious sectors of the proletariat and the lumpenproletariat in militarised gangs to smash the workers' movement to fragments.

Russia's restorationists—state capitalists or neo-liberals—have not needed to seek this solution yet. The rise of Zhirinovsky, however, is a sign that they are beginning to do so and that the social crisis is beginning to create the human material for this.

Thus it would be very foolish to give a normative description of fascism, based on Mussolini's or Hitler's parties and militias and then decide that any movement, such as the LDP, which did not possess all of these features was not a fascist party.

Fascist parties or movements have to come into existence, to develop. They have to assemble a mass base before hurling it into street battles. None will be exactly like its famous predecessors since each has to develop on its own national terrain and political culture. Thus Zhirinovsky's movement is precisely at a proto-fascist stage

There are deep social reasons re-enforcing this proto- or semi-fascist stage. The classes, social strata and castes of a degenerate workers' state are in transition to the classes of a capitalist society. But this process is far from complete. The bureaucratic caste, whilst fragmented, is still massive and holds key levers of power and privilege. It is wrestling to transform these into property rights

The "new bourgeoisie" is still weak and semi-criminal, confined in large measure to the sphere of distribution. The petit bourgeoisie is weak and non-Russians are differentially strong in its ranks. The millions of workers for whom there is no work have not yet been driven out of the factories and offices to create a mass lumpenproletariat.

Above all, those sections of the masses facing destitution do not look to

the return of an idealised patriarchal capitalism as did the middle class of Weimar Germany. Rather, those in Russia who crave some form of social safety net to catch them in their rapid fall into the abyss yearn for the years of Khruschev and Brezhnev. Capitalism is increasingly a feared future not an idealised past.

Russian fascism faces real obstacles in mobilising desperate masses on the street against the working class and against the historic gains of the workers state. Racism and chauvinism, aimed at the street traders from the Caucasus, or Jews in the media is a start but will be insufficient by itself.

The decisive assault on the disintegrating planned economy have been repeatedly postponed by the struggles between the factions coming from the former *nomenklatura* and the new bourgeoisie.

This and the continuing political paralysis of the Russian workers' movement means that the working class is not seen by proto-finance capital as the *principle* obstacle to the establishment of a Russian capitalism and imperialism. The Russian working class is just beginning to fight back against the effects of restoration.

Today, despite Zhirinovsky's uniformed bodyguard, the LDP is not yet a fully fledged fascist party. It has a relatively small membership of around 20,000, though this is likely to recruit rapidly in the wake of the election. But it is funded by "big business" in the form of the aspirant Russian capitalist- bureaucrats of the military industrial complex.

All these facts show the LDP's potential to become a fascist force and as we have seen the "need" for such a weapon may at last be materialising.

There is an obvious passive electoral mass base, big money available to back them and increasing numbers of desperate young unemployed and dismissed soldiers willing and able to be active.

Under these conditions there is no objective reason why the Russian fascists should not resolve their differences and coalesce into a fully fascist party with organised street gangs.

Zhirinovsky's high level of support in the army and the easy availability of weapons all indicate that if resistance to the restoration process steps up, then what is at present a semi- or a proto-fascist party can become a fully fledged mass movement.

But the elections are not a sign that the decisive battles have been already lost or that fascism is inevitable in Russia. Two parties based on the urban and rural workers of Russia, the Communist Party of the Russian Federation (CPRF) and the Agrarian Party between them got slightly more votes than Zhirinovsky's party.

The CPRF has 600, 000 members and its strength is shown in the fact that it did equally well in the party list and individual member sections. It was correct for revolutionaries to give a critical vote for this Stalinist Party which alone opposed both Yeltsin's constitution and the "reformers' " attacks on the remains of the planned economy.

But this vote had to be highly critical. Since the election the party's leader Dimitry Zhyuganov has been seeking and establishing a *de facto* block in the Duma with Zhirinovsky. He is on record as saying that there are many sensible people in the LDP. Many former members of the *nomenklatura* and the KGB, many former or present friends of his from the now banned National Salvation Front is what he means. But these chauvinist swine are no friends of the working class.

Russian workers, including the members and voters of the CPRF must demand a total break with the fascist Zhirinovsky. Workers do not need "constructive opposition" to Yeltsin but the launching by the trade unions and the so-called Communist party of an active mass struggle against them both. They must at the same time reject Gaidar's call for a popular front against fascism. It is Gaidar's "reforms" that gave Zhirinovsky so much support. Only mass direct action—strike action—giving a lead to all who feel helpless faced with the collapse of the economy and the welfare system can halt the rise of the LDP.

If the working class rouses itself from its passivity and atomisation then the fascist scum like Zhirinovsky will easily be flushed back down the sewers from which they have crawled. Workers will need to organise their own militia, drawing in the unemployed and the ex-soldiers, to do this.

A united front of the working class, including those from the oppressed and threatened nationalities, can smash both Yeltsin and Zhirinovsky. Russian workers can place no reliance on a top-heavy party of bureaucrats like the CPRF to lead such a struggle.

Indeed, there is a great danger that this party will try to lock the workers into a "patriotic" pact with Zhirinovsky. Thus above all the Russian workers need a new revolutionary party to lead the way in these combined struggles, to provide a real alternative to Stalinism, fascism and the unfettered market. ●

Reforming the Orange State?

In a St Patrick's Day speech this year Gerry Adams said that, "Unionists can be persuaded to recognise that they share a common peaceful destiny with their fellow countrymen and countrywomen in the common territory of Ireland." Edward McWilliams casts doubt on his optimism.

The "Downing Street Declaration" of December 1993 between the Irish and British governments reassured the Ulster Unionists; there would be no progress towards a united Ireland without the consent of a majority of the Six County Population.

Since the Protestant community of Northern Ireland have a built-in majority this amounts to a veto. The borders of the state were drawn precisely to ensure this and patterns of emigration and job creation reproduce it. Hence, if the roadblock to a united Ireland is to removed by constitutional methods then a significant minority of the Protestants will have to abandon Unionism—the insistence on remaining part of the United Kingdom.

Such a revolution in Protestant consciousness will never be brought about by appeals for "reconciling the two traditions on the island", dished out by Albert Reynolds, John Major, John Hume and Gerry Adams. The Hume-Adams initiative and the Reynolds-Major declaration have run aground on the rocks of the Protestants' refusal to consider even the most ethereal "Irish dimension" and the refusal of the British to consider persuading, let alone coercing, the Protestants whom they have subsidised and protected for over seventy years.

The pendulum is swinging once more towards talk of a so-called internal settlement. Such a settlement would have to see a major trade off between the Unionists and the constitutional nationalists; a restoration of devolved government for the six counties (Stormont)—in return for constitutional democratic safeguards for the minority and a role for the constitutional nationalists in government.

Naturally the Unionists want the first without giving any hard and fast commitments on the second. The Social Democratic Labour Party (SDLP) could not settle for anything less than the second. In fact a seismic shift in Protestant sentiment would be needed for such an internal settlement to emerge.

What are the prospects for any serious changes in Protestant attitudes? The fate of the "reforming" Unionist administration of O'Neil (1963-69) and the brutal reaction of many Protestants to the Catholic Civil Rights movement after 1967 showed a Unionist population of all classes overwhelmingly unified in their resistance to any reform of the sectarian state. Has anything changed?

Unionism has never been monolithic. Significant differences of interest between the various classes of Protestants have appeared both before and after partition. Even within the Unionist bourgeoisie sharp differences have existed; should membership of the United Kingdom be sacrificed to preserving the Protestant ascendancy over the Catholics in the Northern Ireland state. Or vice versa?

Today conflicting attitudes can be found amongst the Protestant bourgeoisie regarding closer co-operation with the Irish Republic. At one end of the spectrum lies Paisley's Democratic Unionist Party (DUP) with its violent sectarian animosity to all Catholics and total opposition to any dealings with Dublin. The Presbyterian rural petit-bourgeois and urban labour aristocratic followers of Paisley represent the most intransigent elements within Unionism. Today, their supporters frequently overlap with membership or sympathy for the Protestant terror gangs.

Despite these fissures within the Unionist bloc there has remained a bedrock of unity laid down during 200 hundred years of resistance to Irish national independence. The Unionist bourgeoisie promoted a reactionary cross class alliance of the Protestants in the North-east over 100 years ago as a device to thwart the Home Rule project of the weaker Irish bourgeoisie in the rest of the country.

Home Rule was a repugnant perspective for the capitalists and landlords of North-east Ulster. They saw themselves, correctly, to be an integral part of the mainland imperialist bourgeoisie itself. They did not want to vacate their seats of power in the imperial parliament for those of a provincial assembly in Dublin. Nor did they wish to share their rule with the agrarian and commercial bourgeoisie of the South.

After three decades of thwarting the Home Rulers, the revolutionary wave of 1916-1921 finally convinced the Unionists that the project of maintaining the Ascendancy in

the whole of Ireland was a lost cause. The class interests of the industrial capitalists and the great landowners demanded that they secure for themselves a stable territorial enclave with a Protestant majority that would stay firmly embedded in the economic orbit of the United Kingdom and its Empire. This they got in 1921 together with a devolved Parliament, their own heavily armed police force and part-time militia.

After seventy years of economic and political development in Northern Ireland, does the Unionist bourgeoisie still see its class interests as best served by this political arrangement?

Does the Protestant working class continue to derive privileges from its own bourgeoisie? Have developments since direct rule weakened their commitment to the Union or Protestant Ascendancy?

The Protestant community has deep roots as well as a confused national identity. Without understanding this it is impossible to understand the division of the working class in northern Ireland. This politico-religious identity has a profoundly reactionary content today but it evolved into its present character after an initially progressive genesis under English rule.

After 1691 this rule was stabilised. The expropriation and in part expulsion of the original population was more complete in North-east Ulster than elsewhere. A substantial "loyal" population of Scots planters, whose distinguishing mark was their Presbyterian Protestantism, replaced them.

But the English landlords who dominated the new administration were mainly Anglicans. The Protestant parliament in Dublin in 1697 initiated a series of Penal Laws against Catholics designed to deny them any possible political influence or social power. It also discriminated against Presbyterians, excluding them from political power.

In the subsequent century elements of "Protestant Ascendancy" including some landowners and a growing Presbyterian merchant and manufacturing class came to regarded themselves as the Irish people. This was quite typical of the attitude to nations before the French Revolution.

The peasantry, the great majority of most peoples, were simply ignored when it came to considering who the nation was. It was the propertied classes, the people with a stake in the kingdom, who constituted the "nation". The growing spirit of independence, based on their growing property made the Presbyterian bourgeoisie resent the restrictions placed by England upon their parliament and their trade.

From the 1770s a movement appeared for reform of the Protestant aristocrat dominated Dublin parliament, to alleviate the century-old barriers to Catholic equality and to wrest greater commercial freedom from Britain.

With the failure of the reform movement, and under the impact of the American and French examples, a section of the northern industrial Presbyterian bourgeoisie in the 1790s developed a revolutionary democratic movement, the United Irishmen. They struggled to bring the mass of the people under its leadership in a fight against English rule and so proclaimed the equality of Catholic, Protestant and Dissenter (Presbyterian).

For the first time, therefore, a struggle was undertaken to create an Irish nation. Tragically, the unevenness of economic development and the deep political-religious divisions of colonial Ireland, within which this national bourgeoisie had emerged, placed barriers between them and the majority of the rural masses. These were not overcome by the time of the insurrection of 1798.

Thousands of armed Presbyterian farmers who mobilised as United Irishmen in the North-east were quickly scattered with the aid of the English-backed aristocratic landlords' reactionary mobilisation of aggrieved tenants in the Orange Order.

The Orange Order, founded in 1795, adopted a passionately anti-Catholic ideology in the service of political reaction. It appealed to a large body of economically depressed, mainly Anglican, cottier-weavers squeezed between the competition from factory produce on the one hand and, when they sought work in those factories, competition from the cheaper labour of Catholics drawn from the destitute peasantry.

The defeat of the 1798 rebellion, and the Act of Union which followed it, rapidly intensified the North-east of Ulster's integration within the triangular maritime zone of Belfast, Liverpool, Glasgow and the heartland of capitalist Britain.

As the Belfast/Lagan valley region began to industrialise, first through the mechanisation of cotton spinning and later the linen industry, competition between Catholic and Protestant workers grew apace. In the 1840s the Orange Order was reborn as an urban phenomenon, within the labour market, enforcing sectarian stratification across the burgeoning textile industries. Employers and landlords (often the same people) were quick to exploit this situation both on the shop floor and through programmes of house building.

In the course of the nineteenth century the rapid industrialisation of Ulster as an economic enclave within Ireland proceeded on the basis of overwhelming dependence upon the British market. This led the majority of the bourgeoisie of Ulster to ferociously defend the Union with Britain. Whatever the possibilities that a degree of national autonomy might have held for this bourgeoisie, the path of reactionary defence of the Union was far more favourable for dividing, subordinating and thus super-exploiting the unskilled and winning to its side the organised, skilled labour aristocracy.

The dependence of "their" industries upon British state contracts and free access to the British market led the mass of the working class in the North-east to see their best interests in a defence of the Union with Britain as long as the alternative to this appeared to be a bourgeois nationalist Ireland which would weaken those economic links.

This is not to say, of course, that every skilled Protestant worker was an Orange bigot or even a lodge member. Indeed, militant craft unionism was often linked to a definite Liberal and social reformist outlook. But significantly these Liberal or reformist workers, to the extent that they shared with Orangeism a view of the North-east as the centre of "progress", "civilisation", "modernisation" and feared incorporation into "the backward, priest-ridden South", were dragged into the anti-nationalism of the pro-imperialist propa-

ganda of the lodges.

Unskilled and semi-skilled Protestant workers were by no stretch of the imagination "labour aristocrats". But they did enjoy preferential treatment in job allocation, conditions of work and security. Pervading all Protestant communities was a profound sense of the communal and personal superiority of the Protestant. The labour aristocracy was the pivot for such bourgeois influence and outlook within the Protestant working class as a whole.

Nothing underlines the significance of the historic gerrymander of the impregnable two-to-one Protestant majority that partition represents and the bogus nature of its "formal democracy" than the fact that from its foundation in 1921 until 1969 forty-six percent of the total seats in the Stormont parliament went uncontested!

Outside Belfast there was continuous Unionist representation in 23 of the 32 seats over a forty year period. In the 16 Belfast seats embracing a largely working class industrial city, Unionists held seven seats continuously between 1929-1969. The same principles and results were repeated at provincial and local levels of representation. From the statelet's inception political power was concentrated in the hands of a small clique of civil servants and ministers:

> "The inter-war Unionist cabinet, a product of the boom years of local capitalism, reads like an executive committee of Northern industry and commerce, with a few members of the landed gentry thrown in for good measure"[1].

This clique rested on the specific operation of Orange clientilism and British support. The Orange Order was the main institution linking the Unionist bourgeoisie through the decentralised local authority system, to its working class and petit bourgeois base; it was (and still is) represented on the ruling Ulster Unionist council and the vast majority of Unionist M.P.s and cabinet members were (and are) Orangemen.

From being a key element in the pre-partition local authority system the Orange Order's influence was extended into the new state apparatuses after 1920. It concentrated in the inter-war years on the enshrinement of Protestant clerical influence within the state education system and on the prevention of "Catholic infiltration" into public positions.

In this it could claim some success. By 1943 only 37 of the 634 civil servants in administrative and technical grades were Catholic, with none in the top 55 posts. Needless to say, along with the plethora of other orders and societies (often with overlapping membership), it orchestrated a dense network of disadvantage.

To a large degree the viability of a separate six county state in 1921 rested on the concentration of Protestant Unionist industrial capital in the Belfast region, in turn integrated into the Glasgow, Liverpool complex, at a time when British imperialism was still a major world force. However, the inter-war years underlined the vulnerability of its economic dependence on Britain.

With economic crisis and recession its major export oriented industries collapsed. Unemployment averaged 15% of all workers (twice as high for Catholics) reaching a peak of nearly 30% in 1938. War provided a reprieve for the major industries but the precarious nature of capital accumulation and employment became apparent again in the 1950s confronting Unionism with the dilemma present since its foundation:

"On the one hand, it was forced to facilitate the restructuring of the traditional sector while maintaining employment, especially among its working class Protestant base of support. On the other hand, it had to ensure that incoming industry did not upset the balance of sectarian power on which the very existence of the state depended."[2]

Throughout its history Northern Ireland (NI) has remained a highly specialised fragment of the U.K. economy—closely tied to the fortunes of British capitalism but with a bourgeoisie displaced from within the ruling class family. For example, after 1921 no member of the Ulster bourgeoisie ever held a cabinet seat and the bulk of its MPs at Westminster, up until the 1960s, were from the landed gentry.

In so far as the Stormont regime had any overall economic policy it was one of maintaining and strengthening its integration with the U.K. This put distinct limits on economic diversification. In a recent study Harris found that over the period 1963-85 NI still remained the most specialised manufacturing structure in the U.K.[3]

In the mid-1950s the Unionist government belatedly began to address the crisis in its traditional economy. At first it adopted "a piece by piece" approach whose purpose was as much concerned to politically restructure it along traditional sectarian lines as create new industries. But forced by the pressure from its own base of support among Protestant workers' and their shifting allegiance towards the Northern Ireland Labour Party, the government initiated a regional investment strategy to foster the development of new industry across the province.

Lavish investment grants, tax concessions and other inducements were used to attract British, US and European firms. A new multi-national fibre industry emerged. During the 1960s manufacturing production rose much faster in NI than in the U.K. as a whole, with growth totalling 60% over the decade. But though impressive the effect on job numbers could not offset the even faster decline of the traditional sectors.

By 1970 sixty-five thousand new jobs had been created but total manufacturing employment was now 180,000, compared with the post-war peak of 185,000. Given NI's traditional high birth rate this failure to increase total employment would have led to a huge reserve army of labour but for the enormous exodus of its people. Significant numbers were Protestant but, as had been the case since the foundation of the state, Catholic emigration was twice as high.

Since the world recession of 1974 and the attendant oil crisis NI manufacturing expansion has come to a halt. The province has been in the grip of a prolonged industrial crisis from which it has proved unable to recover despite high levels of politically motivated investment. The rapid growth of the previous decade was reversed and industrial output is now well below the highpoint achieved



WHERE THE ORANGE ORDER MARCH THE LOYALIST TERROR GANGS ARE NEVER FAR BEHIND

in 1973. Manufacturing employment has fallen almost continuously throughout the 1970 and 1980s and is more than 40% below its 1974 level.

The most striking collapse was in the synthetic fibre industry but all of the foreign multinational sector has been badly hit. While overall manufacturing output has fallen 19% from 1973 and output per worker has risen 41%, productivity in the manufacturing sectors is actually 15% below the level in Britain.

Like its southern neighbour NI's strategy for growth and economic health centred on attracting foreign investment. Yet unlike the South the results have been insignificant. Since the mid-1970s foreign companies have been cautious about siting in the six counties. Certainly the conflict is a significant factor. It is reckoned that something like 20-40,000 jobs have been lost by this reluctance of companies to invest.

But as the collapse of the synthetic fibre industry showed the nature of foreign investment—"Branch plant" industry—has been extremely vulnerable to changes in global market conditions and changing priorities of corporate planning.

In 1990 there were 207 plants (not companies) externally owned (including British companies). This is a decrease of 41% since 1973. Thus we can see that the policy to open up, diversify and expand the NI economy has been a failure.

"Direct rule had remarkably little difference to the structure of power in Northern Ireland . . . Catholics are still systematically the underdogs in every sphere."[4]

Both communities benefited from the economic growth of the 1950s and 1960s but its impact on them did little to undermine the sectarian patterns of employment. According to the 1971 census the overall rate of unemployment for Catholics was 14% compared with 6% for Protestants. There were two main reasons for this. Habitual discrimination by the bulk of employers in recruitment and training practices was one. The other was the location of industry itself. This is not open to the same stigma as outright discrimination faced with catholic and Protestant applicants but it is even more devastating.

In the 1950s, 1960s and early 1970s most new investment went to Protestant regions around Belfast—Antrim, Down and North Armagh. Relatively little went to either Belfast itself (where Catholics were concentrated heavily) or the predominantly Catholic west. Between 1960 and 1973 the promotion of the synthetic fibre industry was a major part of industrial strategy. Some of the multinationals such as Courtaulds, ICI and British Erkalon moved away from the old sites of linen employment to new growth centres such as Carrickfergus, Antrim and Coleraine.

The new sector had a much larger component of white collar employment and a much higher proportion of male workers—but once again mainly Protestants. The ability of the Stormont government to consolidate economic advantage for the majority was their obvious control of gerrymandered local authorities. But the continuation of patronage even after the abolition of Stormont and the removal of much local authority power testifies to the durability and effectiveness of the informal mechanisms of discrimination.

Thus while executives of incoming multinationals may be much less likely to be pro-Unionist, it is doubtful if this has radically altered their firms' labour recruiting procedures. Industrial location has, of course, been a major factor, ensuring the maintenance of Protestant/Catholic ratios, along with a wish to avoid sectarian division on the shop floor. Equally, if not more important, is the physical threat to Catholic employees.

Physical expulsions from Harland & Wolff shipyards began in 1916 and continued in every decade following until 1970. This has created large areas of the economy where Catholics do not bother to apply. In the last ten years this has actually worsened.

Catholic disadvantage, despite the Fair Employment legislation and a Fair Employment Commission, remains the rule at nearly every level of employment in what remains of the multinational sector east of the Bann and in the aerospace/engineering companies of east Belfast.

By far the most striking feature of the Northern economy since 1973 has been the growth of public sector employment. During the 1950s and 1960s when there was a relative under provision of public services in NI, public sector jobs averaged between 15% and 25% of total employment. Between 1970 and 1974 employment in the public sector grew by nearly 40% and between 1974 and 1979 by a fur-

ther 25%.

Unsurprisingly the most rapid growth occurred in the security and prison services, but also in education and health. As civil unrest effectively cut off the flow of foreign investment, successive Westminster governments have used public expenditure to increase jobs in the public sector to compensate for the fall in employment elsewhere. Between 1970 and 1992 the proportion of total employment in the public sector rose from just under 25% to around 40%.

But as the agricultural and construction sectors of the economy depend heavily upon public expenditure it is fair to say that one half of all employment is now directly determined by state expenditure. No wonder one economist has dubbed NI a "Workhouse Economy", in the sense that most of the working population are engaged in servicing or controlling one another.

The expansion of the public sector alongside the operation of systematic discrimination reflects the different ways Catholic and Protestants interact with one another via the state machine. The best example of this is the Labour government strategy, in the 1970s, of "Ulsterisation". Alongside "the carrot" of public service investment in health and welfare this saw a marked increase in security force personnel. The latter has been the main growth area in male public sector jobs, benefiting Protestants almost exclusively.

In 1981 health and education figures showed considerable expansion in employment of Catholics, but these were areas where, due to a separate Catholic schooling system and a tradition of Catholic women in nursing, Catholic employment had always been higher. Whereas in the case of public administration, especially the NI civil service a Fair Employment commission investigation in 1983 revealed that while there had been a considerable improvement in Catholic employment numbers, Protestants dominated the more senior grades. Only eight Catholics, out of a total of 121, were in posts of assistant secretary.

The 1981 census figures confirmed the under representation of Catholics in key economic and political decision making occupations such as senior government officials, science and engineering, personnel management, marketing/sales management, and in the shipbuilding and aerospace industries. Two further areas are of crucial political significance. The first is the power industry, notably electricity.

Power workers had been crucial to the success of the Ulster Workers' Council Strike which brought down the Sunningdale power-sharing executive. Catholics made up only 13% of this workforce, reflecting the location of the main generating stations in East Antrim. Among the 250 senior management posts only 4% were Catholic and fewer than 10% of engineers were Catholic.

A similar stratification profile can be found in Banking, insurance and finance, most of which is located in Belfast, once more reflecting the class profile of the Catholic community and the political and spatial framework of the Northern Ireland state.

Therefore there is little sign that direct rule from London has altered the underlying structural position of both communities, although Catholic disadvantage would have widened without the growth in the public services. Despite the pressure it has been under, especially from US advocacy of the McBride principles[5], the Tory government, like its Labour predecessor, has failed to radically alter systematic sectarian inequality.

To take one serious step forward, even on a capitalist basis, would have meant a state planned regional strategy, drastically re-locating investment and taking these decisions out of the hands of Protestant businessmen, civil servants, and politicians. Such an approach has no appeal to a Tory government, for obvious economic and political reasons. In fact under any government it is a utopia. Under capitalism the Catholic workers' gains would be the Protestant workers' losses and the latter's acquiescence is therefore unthinkable.

So, crucially the expansion of the state sector has played the major part in stabilising the NI economy since the long downturn after 1974. In particular, Protestant employment in the security services/prisons has roughly equalled the fall in employment in shipbuilding/engineering and the synthetic fibre industry, thus further deepening loyalist commitment to the British state presence and money.

But in the later 1980s and 1990s the Tories have increasingly begun to address the financial problems that have inexorably risen from 20 years of "soft budget" constraints in Northern Ireland—a payment deficit of around 25% of GDP. They have intensified their cut backs on the public sector, while in the private sector they have altered the basis of support for indigenous industry, woefully inefficient by virtue of its guaranteed local and UK markets.

Local industry is a crucial bastion for Orangeism, the employer of a big percentage of the Protestant population. Without support to face up to the cold winds of competition in changing global market conditions, it will be forced to shed more and more labour.

Against a background of an economy whose major employment sectors for the past 20 years are now being slowly whittled away, the crisis and further fragmentation of Orangeism is inevitable. Having lost its monopoly of political power, its economic base—though still strong relative to Catholics (Catholics are 22 times as likely to be on the dole)—becomes increasingly precarious as working class Protestant unemployment grows. As one analyst puts it:

> "There is a sense, however, in which the economic pre-eminence of the state service sector has acted as a prophylactic on sectarian conflict and reduced the attractions of UDI or repartition. There seems little doubt that it has also reduced Catholic support for a United Ireland in the short term as well as weakened loyalist capacity to mount a coherent opposition to British political strategy."[6]

There is some evidence to suggest that the reorganisation and increasing ruthlessness of the loyalist terror gangs in the last four years is connected to a worsening of the employment prospects of younger unskilled Protestant males. If so it confirms, if confirmation is needed, that increased immiseration within the Protestant working class of itself, will not in itself lead to a lessening of sectarian divisions. The

shift in the last 20 years or so from Ulster Unionism to plebeian Paisleyism, the adherence of younger Protestant working class and lower middle class males to the Independent Orange Order, rather than the Ulster Unionist Party dominated Orange Order is further evidence of deepening dissatisfaction with the old Unionist leadership's inability to deliver on privilege. These privileges may be "marginal", as some British socialists say. But when people are living on the margins, they will kill for them!

Thus it is little surprise that evidence of the British government meetings with Sinn Féin and the Major/Reynolds agreement have further widened the divisions between official Unionism, Paisleyism and sections of the Protestant working class who increasingly look to the Ulster Defence Association (UDA) and the Ulster Freedom Fighters (UFF) as their natural "protectors". The Orange monolith, of course, has always been marked by class tensions and strains in times of perceived threat to either economic privileges or the political basis from which they spring.

There is little doubt that stories of growing middle class involvement in the procurement of arms in preparation for what the loyalist murder gangs see as the final "betrayal" are true. So, too, are the claims of RUC on-the-ground collusion with the UDA/UFF.

Large sections of Ulster's economy are intimately dependent on the disguised protection of local or UK demand, and hopelessly vulnerable to the rigours of the new economic liberalism of the single market with its drive to open up public procurement and the integration of credit and finance.

There has been growing interest among leading sections of the business community in the North about the possibility of deepening and extending the links between the NI economy and the Republic of Ireland. This might indicate a pragmatic realisation, especially among the banking and financial sectors of Unionist capital, that a greater "harmony of interest" between North and South is the only way to meet the parlous conditions of the six county economy which has lost its traditional industrial moorings and is fearful of utter dependence on Westminster largesse. Since 1990 the NI committee of the CBI (British) has established a number of joint working parties to consider where North/South economic and commercial connections can be improved.

Although nearly 30% of the North's Dairy Industry is owned by Southern Co-ops there has been relatively little trade between North and South. It is calculated that an increase from the current total trade level of £1.5 billion to £4.5 billion would create 75,000 jobs alone. But reality cautions against a facile optimism, pointing to the enormous complexities in "fusing" two economies that have entirely different histories and structures, even though both share contemporary features like Branch plant investment.

One of the most popular proposals recently has been the creation of an economic corridor on the eastern seaboard of the island from Belfast to Dublin, mimicking the dynamic regional systems of Silicon Valley, Cité Scientific around Paris and the Reggio/Bologna region in Italy. The object would be to generate an agglomeration of external economies through the clustering of interdependent firms operating within the European market.

This proposal undoubtedly sounds attractive to some Northern capitalists especially if it were to be underwritten by enormous and permanent British/EC subventions. But such processes require more than just money and goodwill. And at the moment the latter is in much greater supply than the former. There may be room for, initially, strategic alliances between a few enterprises on both sides of the border to create the economies of scale necessary to penetrate international markets, including the Irish market.

But the NI economy is particularly weak and small scale, with few external links and with a poor tradition of Research and Development and consequently of innovation. It also has limited access to equity and venture capital and is saddled with poorly developed producer services. There is little evidence that it could sustain the enormous risk—economic and political—entailed in measures that went much beyond modest attempts to increase trade and policy networks whose concrete benefits might well be very slight.

Rosy dreams of North/South economic co-operation have been connected in some commentators' minds with the supposed emergence of a new Catholic bourgeoisie. Not only, it is argued, do Protestants witness Catholics occupying more and more of "their" jobs, especially in the former preserve of the state apparatus, but now amongst the property and money making classes Catholics are "making their mark". A mark which is signified by a determination to forge a new set of economic and political relations in a framework which will inevitably have an all Ireland political dimension. What is the truth of this?

Catholics traditionally serviced their own community within the Northern State—as builders, solicitors, publicans, shopkeepers, teachers, priests. But over the last 15 years—against what remains a substantial Protestant monopoly in large areas of old and new business—a growing number of economists, statisticians, scientists, engineers, journalists and public service managers have been Catholic.

The legal profession, for example, is increasingly Catholic dominated and even the judiciary is now more representative of the population balance. In education the increasing tendency of Protestant students to emigrate as third level students has meant Catholics making up a larger proportion of the graduate pool.

Also, as the state has grown it has, in the Thatcher years, encouraged a rash of "job creation" agencies, financial advice services and estate agents to service a newer and better off Catholic petit bourgeoisie. As we have already seen, this altered Catholic class profile has been due to the very selective effects of direct rule administration, fair employment legislation, expanded employment in education, health and welfare and increased educational opportunity. What has happened in the North has some similarity with the emergence of a black bourgeoisie in the US, but its opportunity for political advancement is much more restricted.

It has been calculated that there are, among the "nouveau riche" of the Catholic middle class, a group of around 30-50, mostly lawyers and doctors earning up to

£500,000 per year.

They are mostly people who have made their money from "the Troubles" and the Thatcher reorganisation of the health services or both. This new strata has clear lifestyle parallels with a strata of the modern southern bourgeoisie—materialistic, greedy, loud and individualistic, a long way from the smug piety of "the Catholic community" of yesteryear.

Since the Anglo Irish agreement of 1985 there has indeed been tangible evidence of its growing access to government and increased influence in jobs and promotion. From sensitive posts, like the three Catholic permanent secretaries out of ten at the NI Office, to the announcement in 1992 that the government had set a goal of 25% Catholic representation in the top policy related posts for 1996. Along with this there has been a host of nominations for membership of advisory and consultative bodies. But they do not yet represent a significant or sizeable Catholic bourgeoisie, though their aspirations certainly lie in that direction.

Some of these people are without doubt what used to be called "Castle Catholics"[7] but the bulk remain, if not open and clear cut SDLP supporters, nationalist—like their ilk in the South, much given to parroting John Hume type homilies about the "pluralism" of an Ireland "of all the traditions" in a Europe "of all the regions". Meanwhile, they make money.

This class hardly amounts to a vibrant new bourgeoisie about to reshape the political economy of Ireland pulling their hesitant Protestant equivalents into a new prosperous 32 county state as an integral part of the European Union. Whilst it is possible that some sections of Protestant businessmen may go along with some all-Ireland investment projects there is much more to suggest diehard Orange resistance.

For while the last 20 years has seen the NI economy denuded of almost any productive base we should be aware that the war has become the basis of an alternative booming economy for tens of thousands in the Belfast region.

Not only the security forces of the RUC and Royal Irish Regiment (RIR), (the former earning somewhere in the region of £30,000—£50,000 a year), but the security firms which employ 5,000, the lawyers, accountants, builders, glaziers, who after a bomb in the centre of Belfast can make a small fortune are tied to this "war economy".

And this money, in turn finds it way into restaurants, car sales, holidays abroad, concerts. No wonder that there are more luxury cars per capita in NI than in any other part of the U.K.

This is not to suggest that bourgeois Unionism has no interest in any political solution—one, of course, on its terms—but their mass base are suspicious of any political sell-out of their "way of life". In these circumstances plebeian Protestant mass resistance remains a strong possibility. All hopes for a progressive peaceful outcome to the present struggle based on the Catholic or the Protestant bourgeoisie and their hangers on will come to nothing. Nor will facile optimism that economic hardship will push Protestant and Catholic workers together and that trade unionism, or a rebirth of Labourism, solve the problems of the divided class and the divided nation. It will not. For this a revolutionary strategy is needed.

A revolutionary socialist strategy for a 32 workers' republic of Ireland alone can to break up the cross class unity of Unionism. It will not be eroded away by the gradual economic shifts in the Northern bourgeoisie's material interests leading them to dump on their "own" workers. This, to the extent that it happens, will merely create a desperate and explosive mass for Paisleyism.

Rather, revolutionary communists seek to win over Protestant workers to the idea that their own self-interest as a class, lies in actively supporting the democratic struggles of the anti-unionist population of Northern Ireland against national and social oppression.

A united workers' republic in Ireland will end all forms of clerical interference with peoples' lives by separating Church and State and will raise the material living standards and social provisions for all. Far from robbing the Protestant workers of their past gains it will greatly improve life. But at the same time it will end all inequality, privilege and discrimination.

Protestant and Catholic workers alike face bitter struggles over the next years as the Tories attack the welfare state and public sector and as small scale industries collapse in the face of European competition. Where Catholic and Protestant workers work alongside one another immediate unity is not only possible it is manifestly essential. But these initially temporary and limited struggles must be used as a launching pad to win the workers of the two communities to a common political, anti-capitalist and therefore anti-imperialist struggle.

All past experience of working class unity, before the first world war and in the early thirties shows that if these struggles do not raise the workers' horizons beyond the bread and butter issues this unity will not long survive. The agencies for destroying it are many and varied.

Despite their sectarian privileges the Protestant working class has suffered from growing unemployment and greater social inequality within their community, providing the objective proof that it is capitalism that is the key mechanism for the enslavement of both Catholic and Protestant workers.

What is needed above all is the conscious agency of unity—a new revolutionary communist workers' party to unite the workers of Ireland in the fight for power. ●

NOTES

1 P Bew & H Patterson, *The Northern State*, London, 1979
2 L O'Dowd et al "Shaping and Reshaping the Orange State" in *Between Civil Rights and Civil War*, London, 1981
3 R Harris, "Manufacturing Industry", in J Spender (ed) *The N.I. Economy*, London, 1990.
4 J Whyte, *Interpreting Northern Ireland*, London, 1990.
5 A series of equal opportunity guidelines drawn up by the veteran Irishpolitician Sean Mc Bride in the 1980s.
6 L O'Dowd, "The Service Sector in N Ireland", in P Teague (ed), *Beyond The Rhetoric*, London, 1987.
7 After Dublin Castle, headquarters of colonial rule. "Castle Catholics" were those willing to collaborate with the British.

From protracted recession to weak recovery

Since 1990 the world economy has been experiencing a highly uneven but drawn out recession. The Anglo-Saxon imperialist countries experienced both recession and recovery first. Meanwhile Germany and Japan are still in recession in the first half of 1994 and the former USSR republics remain in a very deep slump. Pauline Golding offers an account of the current cycle and assesses its significance against the background of the trends of the last twenty years.

The leading politicians of the major capitalist nations naturally celebrated the downfall of Stalinist dictatorships in the USSR and Eastern Europe. They saw it simultaneously as ideological vindication, political revenge and economic opportunity. But their celebrations were premature. For most of the time since the momentous events of the late 1980s world capitalism has experienced protracted difficulties of its own. Capitalism has patently failed to bring instant economic progress to the ex-Stalinist states. Now, even the worst apologists for capitalism admit that a moderate prosperity for a sizeable minority of the population is nowhere in sight.

Graphic and symptomatic as they are, the failures of emerging capitalism in these states are not the cause of the greatest concern among the economic gurus and within the boardrooms of the big multinational companies (MNCs). They console themselves that these are the necessary pains associated with the trauma of the surgical implantation of capitalism.

Rather, it is the structural weakness of imperialist capital within the couple of dozen or so major industrial economies that causes greatest concern. Quite simply, there is anxiety among the more intelligent observers about the significance of a period of depressed accumulation, lower profitability and rising unemployment that has now lasted over twenty years.

Despite the fact that international trade expanded rapidly, Asian economies boomed, stock markets set new record highs and barriers to investment tumbled, the negative trends that set in after the late 1960s became more and more marked. Now, a single European market, access to China's billion new consumers, a new round of technological innovation, and successful trade liberalisation agreements are all hailed as a new phase of global prosperity. But they too will prove to be a false dawn for the major powers.

Capitalism's difficulties go beyond issues of market access. They are, in essence, about an excess of capital and an insufficiency of profits. It is these factors that condition the present recession and overshadow the emerging recovery.

The global economic recovery of 1982-89 proved longer and stronger than the 1975-79 upturn.[1] There were three stages to the recovery cycle. The first



lasted from 1982 (Q3) until the end of 1985. The recession had done its job in restructuring US industry and had raised both productivity and the rate of exploitation. On this basis, an underlying recovery was then boosted by a massive injection of US government finance. If this had occurred without improving productivity and profitability, it would have merely resulted in a very shortlived inflationary bubble. This was not the case. There was a genuine industrial recovery and the expansion of US demand pulled the rest of the world along behind it.

However, by the end of 1985, this recovery was faltering and in 1986-87 a second stage began. This was characterised by semi-stagnation in industrial output and by the beginnings of a huge boom in the financial markets. Deregulation of these markets and a shift by banks from loans to other financial instruments and services, in the wake of the debt crisis of 1982, both contributed to this massive extension of credit and debt.

In the second half of the 1980s, the financial and industrial cycles became more and more disjointed. In finance, the loose money chased real estate, financed leveraged buy-outs and sent the Tokyo stock exchange into the stratosphere in an "asset inflation" merry-go-round.[2]

The third, and final, stage opened with a bang in October 1987 when the New York Stock Exchange crashed. The speculative frenzy came up against the stagnant US economy. Disaster was averted only by a huge injection of liquidity by the world's banks. This temporarily extended the industrial cycle into 1988 and 1989, when profits and investment peaked, but the speculative boom benefited even more from the increased availability of investment funds.

Once the industrial cycle definitively passed over into recession, the financial markets were bound to follow. The markets crashed again in October 1989, this time mainly in Tokyo,[3] where some Y1.5 trillion were wiped out, more than the combined sum of the European stock exchanges. The financial and industrial cycles were forcibly brought together in a crisis. The third post war global recession was upon us.

The cause of the present recession is to be found in an overaccumulation of capital in the major industrial countries; capital was too big in relation to the prevailing rate of profit. The major sectors of industry in the world could not realise the anticipated rate of profit given the capital advanced and, at a certain point in the cycle (1988), the fall in the mass of profits led to a retrenchment in the rate of net investment (i.e. rate of accumulation).

The downturn in the industrial cycle thus predated and precipitated the downturn in the financial cycle. With the collapse of profitability and investment, the level of corporate debt became unbearably heavy[4] and led to "balance sheet restructuring". Companies cut back on non-interest costs and this resulted in mass sackings and plant closures. This naturally led to a similar crunch in consumer/household debt as unemployment (or the fear of it) rose and dampened spending plans, spreading the effect of the recession through the whole economy.

The rate of corporate profits peaked in the US, Japan and Britain in 1988[5]. The weighted average for these three, plus Germany, in 1988 was 8.7%. The first three countries suffered falls in 1989 and 1990[6]. British companies saw a 25% drop in the rate which fell to 4% in 1989. According to *Business Week*, the mass of profits in the US peaked in 1988 and declined in 1990 and 1991 by an average of 9% across all industries. The absolute fall in 1991 was $30bn.[7] Company profits did not peak in Japan until 1989 but then fell successively in each of the next five years.[8]

This collapse in profits led to a decline in the rate of net investment. As a proportion of GDP, domestic investment peaked in in the USA in 1987 at 17%, failed to grow the following year and declined successively in 1990 and 1991.[9] The year on year decline in the value of non-residential fixed investment can be seen in the following table:

TABLE 1

Country	Year	Fixed investment
USA	1982-89 (av inc)	3.2%
USA	1990	-0.4%
USA	1991	-7.1%
USA	1992	3.0%
Canada	1990	-3.3%
Canada	1991	-1.4%
UK	1990	-2.8%
UK	1991	-9.2%
G7	1982-89 (av inc)	6.1%
G7	1990	5.0%
G7	1991	-0.3%
G7	1992	-1.8%

Figures are taken from the Bank of International Settlements Annual Report (August 1993).

Glyn notes that the 7% fall in business investment in the USA was the biggest fall since 1975.[10] The rise in the rate of investment and the fall in the mass of profits in the USA that took place in the late 1980s caused the overaccumulation of capital. When the mass of new investments rises faster than the rise in the mass of profits then the rate of profit falls. This clearly made itself felt in 1988-89 and caused the rate of investment to decline.

With profits and investment in decline, output had to fall sooner or later. The decline in total output began in Canada and the United Kingdom in the second quarter of 1990 (Q2/90) and spread to the United States in Q3. By the end of 1990, Sweden, Finland, Norway, Switzerland, New Zealand and Greece were all in recession.

Economic expansion was prolonged in Germany in 1990 and 1991 and this pulled along France, Italy, Benelux, Denmark, Spain and Portugal. The recession in Germany only began in the middle of 1992, when output and investment sharply declined, enforcing a recession in those European countries most closely tied to Germany.

France's industry slumped in the first half of 1993, then stabilised in the second half year to bring about a total fall of 3.5% in industrial output. Total GDP was 0.7% last year. In Europe, 1993 was the year in which the continent's 19 major industrial economies registered an overall decline for the first time since 1975.

However, the trough of the cycle for the USA, UK and Canada was in 1991. Then a weak recovery began in the Anglo-Saxon countries in Q2/92—first in the USA followed by Canada and the UK. This has ensured that the international recession has not been synchronised. The reasons for this are twofold; first, the differential effect of the financial crash on the Anglo-Saxon countries on the one side and Japan on the other.

Japan's industrial cycle had not peaked by the time of the 1989 crash. Japanese business investment grew by 11% in 1990 and by 5.8% in 1991, financed by continuing cheap capital and low interest. Output growth averaged 4.4% in those two years. Only in late 1991 did housing and business investment fall off and this was followed by automobiles in 1992. Japan's strong export performance kept output and profits high while the effect of the asset deflation worked its way through the system. However, by then, the spate of late investment had produced huge overcapacity in industry and this ensured that when the recession came, it hit Japan hard.

Secondly, in continental Europe outside Scandinavia, asset inflation had not been such a major aspect of the late 1980s recovery which was based more on business investment in the run up to the single European market. Moreover, the effect of German unification in 1990 was to prolong the industrial cycle there and in all those countries intimately tied to it through the ERM.

The combined effect of this uneven recession on output was as follows:

TABLE 2

Year	G7 GDP	World
1982/89 (av)	3.6%	3.5%
1990	2.3%	1.6%
1991	0.8%	0.2%
1992	1.5%	0.6%
1993	1.1% (est)	1.0% (est)

The lower global figures reflect the effect of the slump in output within CIS and Eastern Europe which ensured a lower figure than for the G7. It also masks a higher rate of growth in the Newly Industrialised Countries (NICs). We can say that globally, for these four years (1990-93 inclusive), the world economy stagnated, as output was below population growth.

These figures for output growth include material production as well as unproductive services. The figures for industrial production indicate the true depth of the recession: the USA saw industrial output fall by nearly 3% in 1991 before recovering in 1992. The EC and Japan fared much worse. Between mid-1992 and mid-1993, EC industry contracted by more than 5%. In Japan output fell for 28 consecutive months up to January 1994.

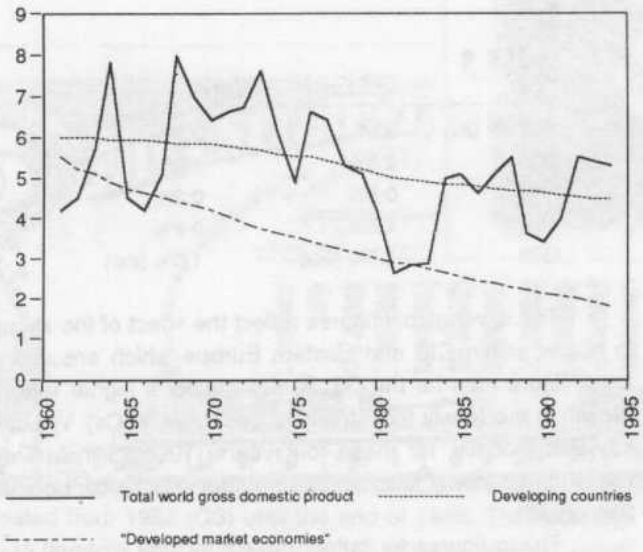
How does this recession compare to the previous two post-war global recessions? During the first recession, a five quarter nose-dive in 1974-75 saw G7 industrial output crash by 12%. Between 1980 and 1982 output fell by 3% and 5% respectively. Because of the lack of synchronisation in the present cycle, industrial output growth in the G7 this time has scraped along at between 0% and -2% over the last three years.

Similarly, during the 1980-82 recession, five of the G7 experienced growth of 1.5% or less, as did ten of the seventeen next largest. In 1990-92, the same number of G7 countries had growth of 1.5% or less but only seven of the next seventeen. Thus, by any measurements, this recession is longer but shallower than the last two.

By general consensus, among Marxists and bourgeois economists alike, the year 1973 marked a definite transition point in the fate of post-war capitalism. While disagreeing on its basic causes and what to do about it, there is often quite a degree of unanimity on the symptoms of the new period which it introduced. We will look at the trends in growth rates, investment, profits, productivity, unemployment and real wages.

There are two ways of looking at the decline in output through the post-war period: by decade or, better, by business cycle. Growth in the capitalist world has declined from an average annual rate of 2.6% in the 1960s to 2% and 1% respectively for the 1970s and 1980s. A recent United Nations study on the global economy confirmed the long run trend of declining rate of GDP growth since the 1960s (see graph below). Let us now compare the pre- and post-1973 years since everyone accepts this as a watershed.

The *Economist* estimates that OECD output, averaged across the three business cycles in the post 1973 period, was 2.8%pa peak-to-peak (1973-89) and 2.9%pa from



Sources: UN National Accounts Statistics and UNIDO/PPD/IPP/GLO

trough-to-trough (1975-91).[11] This latter figure compares with a 1950-1973 figure of 4.9%pa.[12] If we calculate the growth on a *per capita* basis then the contrast between the two periods is similar. Magdoff estimates the *per capita* figure for 1973-89 to be 2.0%pa, compared to 3.6%pa for 1950-73.[13]

Industrial production is a more reliable indicator of the productive capacities and progressiveness of capitalism and deducts from the massive increase in unproductive activity that accelerated in the post-1973 decades. The top six countries of the G7 saw industrial production growth rate slow from 7% (1960s) to 3% (1970s) to 2% (1980s).[14]

Growth is premised upon an increase in the means of production. Andrew Glyn gives the following table for business and manufacturing (see Table 3).

The result of the decline in business investment, seen here over the last three business cycles, has been an increasing tendency for business investment to cede its role as the engine of growth to consumer demand and government spending.

Depressed accumulation is produced by a fall in profitability. Once capital became overaccumulated as a result of the long boom, profits began to fall, their mass not being large enough to valorise the existing stock at the pre-existing profit rates. Despite depreciations of capital and other offsetting tendencies in the post-1973 business cycles, nothing has been able to reverse this fundamental trend.

The lower rates of net investment after 1973 were mainly a function of lower rates of profit. Most Marxists now agree that the fall in the rate of profit is secular and long term. A sharp increase can be observed, beginning in the USA during the war and later in Europe and Japan. This rate improved in the boom before declining unevenly between the mid-1960s (USA) and early 1970s (Europe and Japan).

The graphs opposite from Glyn for the USA, Japan and Europe indicate the decline and how it correlates with the fall in accumulation rates. During the 1980s' recovery cycle there was an increase in the rate of profit—especially in the UK, if less so elsewhere—but the rates remained well below those of the pre-1973 era.[15] Makoto Itoh's study confirms that the average profit rate for OECD countries fell from 15.9% pa in business and 23.3% in manufacturing in 1960-69 to 10% and 11.4% respectively for the years 1974-83.

In turn lower investment leads to a decline in productivity. Generally, the scale of capital investment is the chief determinant of productivity growth. However, as capitalism has declined in the post-1973 period this truth has had to be qualified. While accumulation continues to decline, the drive for productivity in the search for profits cannot relent. This is especially true as barriers to trade and investment between the major blocs of MNC capital come down and competition increases. However, increasingly, productivity gains have come from holding down the level of real wages, using existing plant and equipment more efficiently ("just-in-time") and making workers work harder.

Table 4 indicates the situation for the three major blocs of capital. It shows a secular decline or stagnation for all three blocs in business investment productivity. In the manufacturing component, it shows a sharp fall after 1973 for Japan and a stagnation in the rate of increase since then. Europe shows a general decline in both areas. The US figures indicate the degree to which capital there was able to slow the pace at which Japan was catching up in the 1980s and also indicate just how much the appalling productivity in the US service sector dragged down the general improvement in manufacturing productivity rates in the USA.

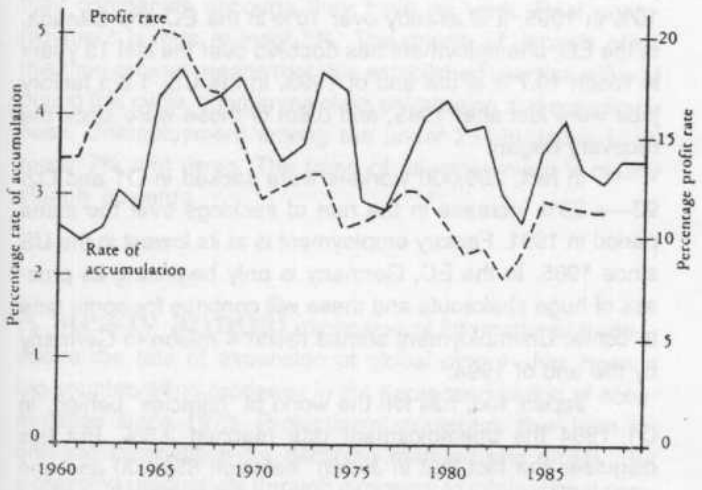
There is also ample evidence that the decline in investment was not the only reason that productivity fell. It seems that there has been a long term trend for each unit of investment to be less productive. Put another way, productivity growth slowed down as much as, and usually more than, the growth of fixed capital per worker.[16]

Faced with declining productivity, and failing to utilise new investments to economise on labour time, it was no longer possible to sustain a regime of accumulation such

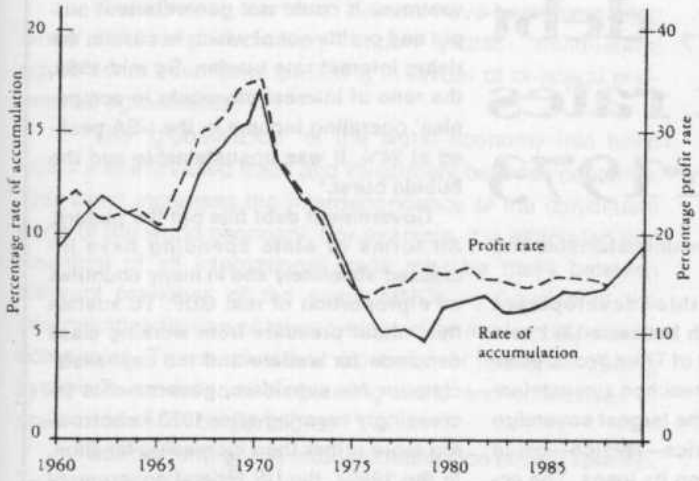
TABLE 3

	Business					
	1960-73	1973-79	1979-89	1979	1983	1989
USA	3.7	3.7	3.5	4.3	2.8	3.5
Europe	5..2	3.8	2.9	3.6	2.6	3.4
Japan	12.4	6.6	7.3	6.6	6.5	9.4
ACC	5.0	4.1	3.9	4.4	3.2	4.6
	Manufacturing					
	1960-73	1973-79	1979-89	1979	1983	1989
USA	4.0	3.9	2.3	4.1	1.3	2.1
Europe	5.1	2.4	1.3	2.1	0.8	2.0
Japan	12.4	5.4	6.3	4.9	5.4	7.6
ACC	5.5	3.6	2.9	3.5	1.9	3.2

United States business accumulation and profit rates, 1960–89



Japanese business accumulation and profit rates, 1960–89



as had existed in the long boom, when real wages generally rose alongside improvements in productivity. Real wage increases do not threaten profitability as long as they are paid for out of improved productivity.

Indeed, if productivity increases enough (especially in consumer goods industries and production of the raw materials that go into them) then real wages can increase *and* the share distributed to profits can increase compared to the share going to wages. This "virtuous" situation existed for a time after the second world war.

Moreover, the post war boom was, in an important sense, dependent upon rising real wages and an expansion of the working class itself. This was because the boom was in part based on a rapid expansion of mass consumer commodities (especially durables). By contrast, the decades after 1973 have seen average wages in the USA stagnate; they have not increased in real terms in 20 years. In the rest of the OECD, the post-1973 years fall into two periods.

Strong trade union and political organisation in the 1970s kept real wages rising by around 4% a year between 1973-79. This was reversed after the last recession and in the G7 (apart from the UK) average real wage increases have not risen above 1% throughout the 1980s.

Especially in Europe, as productivity declined relative to its two big rivals, profit share was maintained more and

TABLE 4	USA	Japan	Europe
Business			
1960-73	2,2	8,6	4,2
1973-79	0,0	2,9	2,3
1979-90	0,5	3,0	2,2
Manufacturing (hourly)			
1960-73	3,3	10,3	6,0
1973-1979	1,4	5,5	4,0
1979-1989	3,6	5,5	3,2

Labour productivity (average annual % growth rates)

more by holding down real wages. In the US, given that the real net level of fixed investment is no higher now than in 1980, the improvement in productivity recorded in the 1980s must, to a large extent, be due to the holding down of wages for the last 20 years.

The impact of this actual decline in wages was mitigated for many households by the drawing in of unprecedented numbers of women into the workforce (many on a part-time basis) during the 1980s. There was also a growth in transfer payments (benefits) which offset the decline in real wages, as did increased borrowing.

These developments had the effect of stabilising or increasing household income and also provided a continuing market for consumer goods. However, much of the effect of these countervailing measures is unrepeatable.

The limits of personal debt are being reached, benefits are being cut and women cannot be brought into the workforce twice.

This has severe implications for workers' standards of living in the 1990s and poses real problems for sustaining a recovery by spreading its effects across all sectors of consumer goods industries. It has been argued by some economists that, with the current distribution of incomes in the OECD economies, the market for many durable consumer goods is already saturated.

Structural unemployment in the OECD countries has doubled in the twenty years since the end of the long boom. More and more workers are losing full-time jobs, and increasing numbers are finding themselves out of a job for more than a year, especially outside the USA.

There is no mystery to this increase in the reserve army of labour. The process of capitalist accumulation inexorably leads to the expulsion of living labour (the source of profits) from production as the capitalist seeks to raise the rate of exploitation by decreasing the proportion of workers to fixed capital.

In the period of depressed accumulation since 1973, the expansionary phases of the cycles have not seen the unemployed absorbed into new areas of industry or the service sector. Capitalism cannot absorb the new additions to the labour force each year; it finds it difficult to expand the base of surplus value creation.

The tendency for the core reserve army of labour to rise in the OECD countries can be seen in the following table

which gives the figures for the low and high points in the last three business cycles.

Year	Unemployment (OECD average)
1973 (low)	3.3%
1976 (high)	7.6%
1979 (low)	5.1%
1983 (high)	8.5%
1990 (low)	6%
1994 (mid)	9%

TABLE 5

The lowest rate of unemployment in each successive cycle is higher than the previous low point. The same applies to the high point in each cycle. The 1994 figure is higher than the previous peak. More alarmingly, the weaknesss of the recovery ensures that the peak rate has yet to be reached in the present cycle and will probably pass 10% in 1995. It is already over 10% in the EC and Canada. In the EC, unemployment has doubled over the last 18 years to reach 10.7% at the end of 1993. In the US, 1.8m factory jobs were lost after 1989, and 0.8m of those were since the recovery began.

In fact, 255,000 workers were sacked in Q1 and Q2/93—a 33% increase in the rate of sackings over the same period in 1991. Factory employment is at its lowest in the US since 1965. In the EC, Germany is only beginning its process of huge shakeouts and these will continue for some time to come. Unemployment should reach 4 million in Germany by the end of 1994.

Japan, too, has left the world of "miracles" behind. In Q1 1994 the unemployment rate reached 2.5%. But this disguises the fact that in Japan between 850,000 and one million older unemployed workers are kept on the payroll of

Growth of credit, debt and interest rates after1973

Real interest rates are higher today than in the post-war boom but lower than in the 1980s. During the 1990s they will stay higher than the 1960s and 1970s even if they are lower than the 1980s. Why should this be?

The level of interest rates is determined by the demand for money. This demand is generated by domestic consumers, corporations and governments. Steady credit expansion was a vital and normal part of the business cycle during the post-war boom, stimulating investment and consumer demand and reflecting a call by the banks upon a portion of the future industrial profits.

However, as the boom petered out accumulation was sustained less and less by faltering retained profits and real wages and more and more by a growth in credit. Increasingly, credit injections became less and less effective in raising demand and boosting output. Meanwhile, credit expansion implied a growth in indebtedness.

Over time this indebtedness obliged households, boardrooms and governments to set aside more and more of their income to repay interest on contracted debt.

This left less and less for investment or for spending on welfare and consumption; a vicious circle set in. To sustain expansion more and more was borrowed and interest rates rose until the burden of interest on profits and household incomes became unsustainable and led to a collapse.

In the 1980s, this development reached a fever pitch between 1982 and 1989. First, the spiral of Third World debt, from1974 onwards, reached unsustainable levels. By 1982, the largest sovereign debtor in Latin America—Mexico—could not pay the interest on its loans. The accumulation of bad and non-performing loans precipitated a banking crisis which it has taken the last ten years to resolve. Meanwhile, the mountain of Third World debt ($1,450 bn) continues to grow.

Household and corporate debt came to a head in the late 1980s and interest rates peaked in mid-1989. Between 1950 and 1982, household debt grew more or less in line with GDP but then deterioration set in. In the US, total household debt increased from 75% of disposable income in 1980 to 94% ten years later. In the UK it was even worse. Just to return UK households to the average debt-income ratio of the 1980s would require a 32% fall in debt or a 46% increase in income.

The trend for company debt has been the same. Money was borrowed by firms in unprecedented volumes during the 1980s.

Yet, in the same decade, the ratio of domestic investment to GDP declined substantially since most of the new borrowed money was used to finance company reorganisations or to buy up real estate. Not being used for productive investment it could not generate real output and profits out of which to sustain the rising interest rate burden. By mid 1989, the ratio of interest payments to companies' operating income in the USA peaked at 24%. It was unsustainable and the bubble burst.[1]

Government debt fills out the picture. All forms of state spending have increased absolutely and in many countries as a proportion of real GDP. To sustain this, under pressure from working class demands for welfare and the capitalists' clamour for subsidies, governments increasingly resorted after 1973 to borrowing more rather than increasing taxation. In the 1980s, the US federal government soaked up the greater part of the world's available loan capital (mainly from Japanese institutions) in order to service its spending commitments (especially arms).

This steep rise in government borrowing was probably the single biggest factor pushing interest rates up and keeping them 3% higher than the post-war average even in the midst of a recession.

Credit expansion and high interest rates have contributed to the long period of depressed accumulation. They depressed profits, impeded investment and dampened demand for goods. In this cycle they contribute to the fact that the recession is longer than previous ones and that the cyclical recovery was weaker than normal in the early phase in both the USA and UK.

1 Or as the OECD later put it: "The gap between debt and the capacity to service it suddenly seemed to widen dangerously, as the prospects for incomes and most values changed in the slow growth environment that the 1980s were turning out to be."

their companies although they have no work. Real unemployment is thus at least 5%. The gravity of Japan's crisis this time around means that this established practice will end during this cycle, sharpening class polarisation and consciousness. Unemployment among the under 25s in Japan is already 7% and rising. The trend of unemployment is clearly steeply upwards.

A steady annual expansion of international trade—above the rate of expansion of global output—has been a big countervailing tendency in the depressed period of accumulation since 1973. Protectionist pressures flow from increased competition for declining markets and profits. But increasing productivity through exposure to international competition, as well as reducing the average level of tariffs, have all helped to sustain accumulation.

Nevertheless, non-tariff barriers have been increasing since 1973 (e.g. "voluntary" import quotas), multi-lateral agreements have been declining in favour of bi-lateral preferential agreements.

The "globalisation" of the world economy has been noted with increased trade and investment between countries. This trend increases the interdependence of the constituent parts of the world economy. For example, it is estimated that one-third of all international trade may be trade between different branches of the same MNCs—a function of the international division of labour adopted by modern imperialist companies. The survival and extension of this open trading system is crucial to the operating costs and economies of scale of modern corporations.[17]

But the form of this internationalisation is very specific. The majority of international trade and investment is regional (40% of international trade)[18] and increasingly so, prompting the growth of regional blocs.[19] This in turn shapes the form of the approaching protectionism. Wherever MNC interests are not at stake—especially outside regional free trade zones—then the liberalisation of trade has not made a great deal of progress in the 1980s. OECD nations operate tariffs of 7%-10% to non-OECD countries compared to half that for member countries. Trade is not free, it is just integrated on terms that are advantageous to the MNCs.[20]

For 25 years, the US guarded the interests of the world imperialist system. Japan and Germany were reconstructed and then prospered under US hegemony. But in due course these two countries have evolved from defeated but forgiven enemies into dangerously independent allies of the USA.

Over the last 20 years the US has seen the erosion and, in some cases, the elimination of its economic supremacy in many spheres. The USA's share of trade in manufactures has declined; its share of the total stock of fixed foreign investment has shrunk; its technological lead in many areas of product processes and product technologies has been cut back. Its productivity advantage has been pared down. The US dollar is no longer unquestionably supreme as a reserve currency.[21] Once banker to the world, the US is now the world's biggest debtor.

This erosion of its power has inevitably meant that the US has found it difficult to bear the costs of being the world's only military superpower with its obligation to foot the bill for a string of military bases throughout the world. The US has been forced to reduce its commitments and cajole its allies into sharing the cost of upholding the imperialist order.

Nevertheless, this decline is only a relative one and in important areas has actually been reversed during the 1980s and 1990s. Over the last decade, the US slowed down the pace at which the EC and Japan ate into its productivity advantage. Indeed, during the course of the 1990-94 recession the US has improved its position relative to its rivals. This can be seen in the fact that manufacturing productivity in the US improved by 4.3% in 1992 and 5.3% in 1993.[22]

The US still has a commanding productivity lead in most areas of industry and services. Germany is only 71%, and Japan only 77%, as productive as the US economy. The reason behind this was mainly due to the greater number of sackings and closures undertaken by US industry during 1990-92, itself a reflection of the weak state of the trade unions. The sharp turn around in the fortunes of the big three US carmakers between the late 1980s and today reflect what has been achieved.

Secondly, it is also clear that US industry has been quicker in revamping product lines than its rivals. The Clinton administration has added a new dimension of government-industry collaboration in research and development, underlining the USA's commitment to restoring its economic pre-eminence in the world.[23] Finally, the US commerical services sector (eg telecommunications, airlines) has increased its productivity and market share during the recession and US recovery.

By comparison, all the signs are that the faltering position of Japan in this recession has revealed enduring problems for the country which are likely to result in a slowdown in its prodigious productivity improvements over the next years. Meanwhile, the EU has stumbled badly on the road to greater economic and political integration while the US possesses the advantage of the world's biggest economy and integrated national market.

In short, the tempo of US decline is likely to be slowed down or reversed in some areas at the expense of Japan and Europe. It is thus inconceivable that at the present rate either Japan or Europe can close the gap on the US. In particular, the EU is in the weakest position of the three.

Over the last decade US MNCs have ceded market share in certain areas of manufacturing to Japan and semi-colonial low wage economies but have compensated for this by increasing their global share of commerical services and entrenching their position in the top range of capital goods, autos and computer hardware products. Japan meanwhile has dominated consumer electronics and cartelised the mass auto market with the US MNCs.

The European MNCs (with the exception of pharmaceuticals in which they lead the world) are uneasily sandwiched between advanced semi-colony and Japanese dominance of many consumer goods industries and US domi-

Accelerated decline and increased marginalisation of the semi-colonies

The economic activity of the majority of semi-colonial countries is becoming marginal to the concerns of the core capitalist nations.[1] This is a brutal fact of life and one which has enormous implications for their future. They are less important economically by most indicators than twenty years ago.

The imperialist economies are less dependent upon the raw materials, primary commodities and low labour costs of the Third World because depressed accumulation, energy saving processes and shorter product cycles have reduced the proportions of all these in each unit of output.

Since primary commodities still represent half of all export earnings for the semi-colonial world, one can see the implications of this drop in demand, prices and earnings.[2]

On the other hand, terms of trade, access to capital funds, the level of commodity prices, the level of real interest rates— all these are outside the control or influence of these countries. They are established by the operation of capital accumulation in the OECD, and even G7, and then act with the force of an external law upon these countries.

Two-thirds of the semi-colonial nations are now worse off than in1973. They are more exploited than ever. Most of the nations of two whole continents (South America and Africa) have gone backwards in the last ten years. Already, for hundreds of millions, barbarism has been visited upon them because socialism has not replaced capitalism.

After the 1982 debt crisis, the IMF wielded the big stick and held out the promise of a small carrot. In order to make themselves credit worthy and attractive for foreign investment, the semi-colonies had to cut state budgets and strive for balance of payment equilibrium and exchange rate stability.

They had to abandon any attempts at import substitution and orient their production to maximise export earnings and auction their state assets to the highest bidder. The imperialists' aim in all this was clear; to maximise revenue and minimise spending so as to be able to set aside as much as possible to meet the interest payment obligations on the outstanding debt.

Despite the occasional "bleeding heart" appeals for debt relief by various United Nations commissions, this neoliberal programme has been enforced with utter rigidity by the IMF and the WB for the last ten years.[3] It has managed to rescue the international financial system.

For the banks, the worst is well behind them; losses have been absorbed, loss provision increased in the 1980s, "debt for equity" schemes implemented and the banks salvaged from their reckless lending of the 1970s. For the vast majority of semi-colonies, however, this programme has been a disaster. Only Chile cut into its debt. Mexico stabilised it. For Africa, most of Asia and Latin America, absolute debt burden has increased as measured by export earnings/interest payment ratios.[4]

In general, there was a lot more pain than gain in the 1980s. In 1991, the whole of the semi-colonial world received $205.3 bn in external (mainly imperialist) finance.[5] This sum should be compared with the excess of $14 trillion held in portfolio funds alone by the pension funds and insurance companies. Moreover, the 1981 figure for the total external finance was $151bn, so it did not increase much.

What did change was the structure of that finance. In 1981, on the eve of the debt crisis, 46% of all finance to the Third world was bank loans; today it is only 17%.

The fact is that the semi-colonial countries, apart from a select few, are not credit worthy or especially profitable. The rate of return for US MNCs' investments abroad in 1992 was 11%.

In the EC, its investments realised 16% return; in the semi-colonial world as a whole, they only averaged 5%. Africa for example, gave a rate of return on foreign investments in 1961-63 of 30%, in 1973-80 of 13% and in 1980-87 averaged only 2.5%.

The proportion of foreign direct investment going to all semi-colonies was constant between 1950-80 at around 25% of the total. After 1984, this figure declined to less than 20%. The onset of the G7 recession brought a 50% increase in these funds to $38bn in 1992. Direct fixed investment has tended to be less concentrated than portfolio investment but its source is very concentrated with 70% of all foreign direct investment to semi-colonies originating in Japan or the USA.[6]

The bulk of the fixed investment that was new in the semi-colonies is typified by the experience of the *maquiladora* industries on the US-Mexico border. Wage costs in Mexico are one-seventh of those in the US and with lowered tariffs the US MNCs can simply establish operations there and make huge profits.[7] Some 45% of all US capital goods are now made in Mexican factories for export to SE Asia. The same rationale exists for the growth of the NICs and lies behind Japanese investments in the region.

Having ripped off the "Third World" for decades, or rather, centuries and seeing little of use in them in the future on a commercial basis, the OECD countries hand out crumbs to them. Overseas Development Assistance (ODA) in 1991 was $43bn and accounted for one-third of all external finance into the semi-colonies. It would not be enough, even if it were without strings,[8] because the list of claimants is increasing all the time and the needs of each multiply. But there are strings and 50% of ODA is tied to procurement agreements whereby the state must purchase goods from the donor country; thus, even aid is at the service of the MNCs.

1 All the countries in the world outside the 24 OECD countries only accounted for 28% of global output in 1980 and in 1990. And this despite the growth of the NICs.
2 The World Bank stated this year about primary commodities; "Prices in 1992 were by far at their lowest level since the starting point for the index in 1948."
3 About 60 countries are presently under IMF structural adjustment programmes.
4 Total Third World debt stands at $1,450bn.
5 This total includes direct investment, bonds, portfolio, commercial bank loans, export credits, official aid and loans.
6 Japan by contrast hardly invests in stocks and shares in semi-colonies at all.
7 In 1990 *maquiladores* accounted for 65% of Mexico's US/Canada bound manufactured goods.
8 ODA has been stable at 0.33% of donor GNP since 1978.

nance in commerical services.

So what can Japan and Europe do to reassert their challenge? The EU's defensive strength lies in the fact that at present it is the only really integrated regional bloc in the world economy. The preponderance of intra-regional trade and investment in the EU is far greater than the NAFTA region or within the Japan and South-east Asia bloc.

Yet the US and Japan have invested heavily in the EU in the 1980s and, given their superior competitiveness in many industries and services, they are well placed to increase market share against their European rivals whilst benefiting from the latter's own advantages.

In response, the EU (above all Germany) will have to rise to the competitive challenge or revert to major protective measures against the US and Japan. Of course, there could be a combination of both. Improving competitivenes would imply a more open and frontal attack upon the working class and a renewed drive to political integration between EU member states so as to meet the challenge from rival MNCs and to spread the costs among member states.

On the other hand, protectionism would shorten the timescale in which we will witness major clashes between the imperialist blocs, and GATT would not be likely to survive in its present form.

Outside of a handful of (NICs), MNCs are less interested in trading with the semi-colonies and more concerned simply with buying up what high technology industries are owned by the semi-colonies.

What investment does take place in the semi-colonies is more and more restricted to those countries that are within the three blocs of the world economy. Thus Mexico, a handful of East European nations and the NICs/China will consume an increasing proportion of a declining share of imperialist investment to the Third World. Others will find access to capital and markets more and more difficult.

Even the handful of countries that developed rapidly, mainly as a result of foreign investment prompted by Cold War concerns, will not break through into the closed club of imperialist nations. Heightened competition for declining profits and markets will reduce the margin of tolerance so far allowed; their privileged treatment is likely to come to an end in the post-cold war world as imperialism insists upon demilitarisation and improved political accountability and transparency.

The 1990-93 wave of capital inflow into Latin America is not likely to continue (when recession ends in G7) and, apart from in Chile and, in part, Mexico, it has not been invested in such a way as to transform the productive basis and thus hold out the prospect of sustained recovery.

A more likely result is that Mexico and Chile, followed far behind by Argentina, will mop up the bulk of what investment comes after the great sell off is over and that the whole continent will go into a "beggar thy neighbour" auction to try to get the crumbs from the NAFTA table.

Even for a "privileged" country like Mexico, tied into a regional bloc with a major imperialist power, the future is one of enormous unevenness and social dislocation. Between 1990 and 1992, over 90,000 small-medium businesses (10% of total and 100,000 jobs) closed as the effect of bringing down tariffs from 29% to 10% worked its way through the economy. The jobs in the *maquiladora* industries will not compensate for that. In the next five years, 40% more of such firms could close under the impact of NAFTA.

In Africa, it is hard to predict anything other than continued decline. The much vaunted turnaround through strict application of neo-liberalism is not going to happen. South Africa, if the post-apartheid settlement sticks and attracts some investment, may see itself freed from the years of recession resulting from the starvation of investment. It may enjoy some renewed growth.

The IMF hopes that South Africa—through some kind of regional tie up with the other big three (Zaire, Kenya, Nigeria)—can help trade and investment increase. But on what basis? Europe would have to be the big investor. Already 49% of imports and 56% of exports from Africa go to and from the EU. By contrast, only 5% and 7% respectively are traded within Africa.[24]

But Africa holds a declining share of a declining or static market. What it sells is required less and less as OECD incomes rise; biotechnologies will lead to more and more replacements being found for Africa's primary products. Nor is Africa likely to diversify and become the site of new industries.

It has few, if any, comparative advantages (poor per capita income, poor education) compared to Eastern Europe for the EU. South Africa, and a few North African nations, may slow the pace of its decline; as for Sub-Saharan Africa, it would seem inevitable that under capitalism the prospect is for there to be fewer and fewer internal mechanism of accumulation and more and more reliance upon the conditional handouts of bi-lateral and multi lateral aid, with their fragile political regimes being propped up by imperialist or regional armed forces.

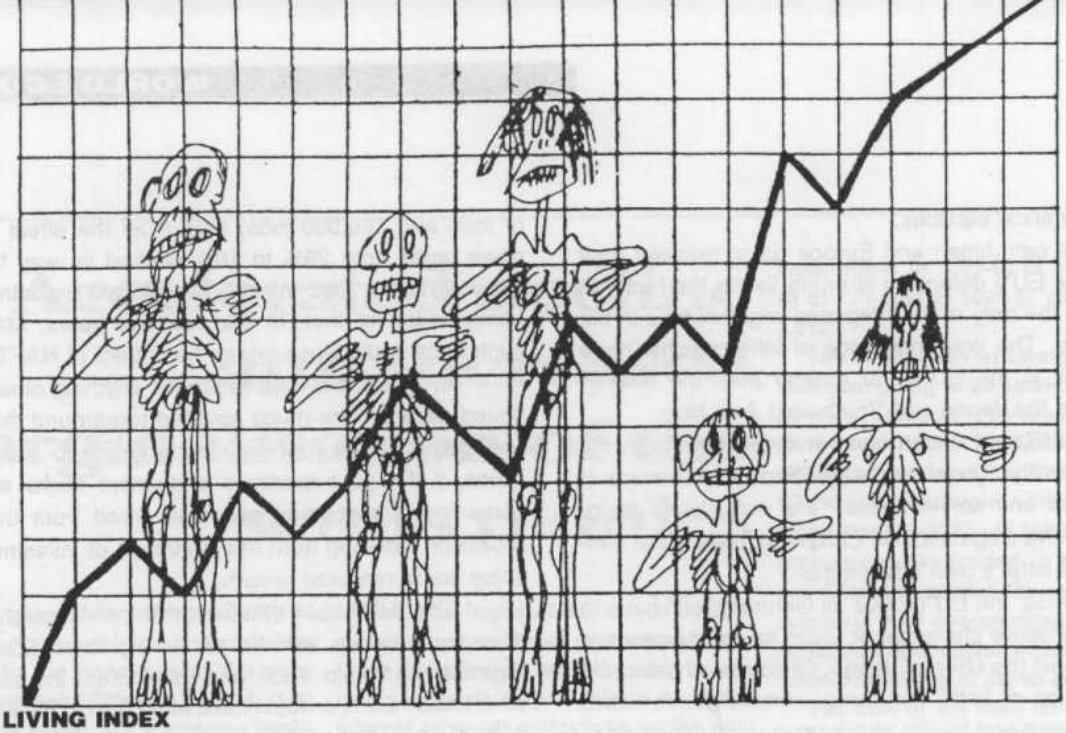
Indeed, with ex-USSR countries putting out their begging bowls too, and the imperialists refusing to increase the volume of ODA, we can expect further accelerated social decline in many of these countries.

Under prevailing neo-liberal structures, most semi-colonies will need a strong cyclical recovery in the G7 and OECD if their absolute economic position is not to deteriorate markedly. What are the possibilities of this?

Any discussion of the nature of an economic upturn has to distinguish between the outlook for a short-term cyclical recovery and the prospects for overcoming the long term decline caused by the structural overaccumulation. The professional economists of the bourgeoisie are pessimistic on both counts.

The OECD forecast for 1994 for the world economy was for growth in GDP, but only of 2% for the 24 OECD member states. The general consensus is that growth will be slow until mid-decade, hampered by overhanging debt and a "low savings rate" leading to a shortage of capital. By the latter they mean low profits and stagnant wages are causing low accumulation.

In the longer term, the World Bank forecasts a G7



COST OF LIVING INDEX

growth rate average for the years 1992-2002 of a mere 2.7%pa. This is half the average of the long boom and less than the 1973-1990 average. *Fortune*, the US business magazine, glumly noted last September:

". . . the world economy faces a sustained period of slow, low inflationary expansion and global overcapacity, an era in which they cannot easily raise prices to expand profit margins."[25]

Certainly, in the US/UK the cyclical recovery up to the end of 1993 was the weakest of the post war period. The average cumulative growth in GNP in the first four quarters of a post-war recovery cycle has been 7%. During the same time employment has increased on average by 2.5%. During this recovery cycle in the US, however, it has taken 11 quarters (Q2 1991-Q4 1993) to register the same growth in output (7.5%) and employment (2%).

The UK has subsequently maintained this low rate of growth while the US witnessed a strengthening of the recovery in the second half of 1993 when GDP growth accelerated to 3.5%pa. This has revived hopes that the US economy is now set for a sustained period of growth. However, a similiar spurt occurred in the second haif of 1992 and then proved to be unsustainable. What are the chances that the US can "take-off" and help pull the other major economies out of their recessions?

Crises, after all, are curative. Not least they address the problem of profitability and productivity. If, through sackings, real wage cuts, and closures, the rate of exploitation can be improved and profit margins increased then residential and business investment can begin to revive, laying the basis for recovery. How strong can we expect it to be? The answer seems to be—probably the weakest of any since 1975.

US productivity improved in 1991 and 1992 at 2.5% and then 3.1%pa. The 1992 figure was a 20 year high, reflecting a very big improvement in the service sector. As a result, in 1992 the mass of profits in the US increased by 20%[26] from their 1991 low-point; but the average rate of return on company assets for the top 500 US companies in 1992 was still only 1.8%! An 11% fall in real wages will be required in the G7 if profitability is to be maintained at the levels of the last cycle. Nothing like that has occurred yet.

Several other structural features in the US economy—some unique to it and some shared by all the imperialist economies—also inhibit the present recovery. First, all economic recoveries rely upon inventories (stocks) being rebuilt as an important part of the early phase of recovery once profitability has been restored. In this cycle "lean production" methods are likely to dampen the effect; introduced in order to curb production costs, these techniques cannot be simply abandoned overnight.

Secondly, the spurt of growth in the USA from the summer of 1993 and into 1994 was narrowly based upon a sharp surge in car sales and a reduction in household savings. The growth enjoyed in 1993 could only continue on the basis of a rapid increase in employment to boost household income and savings, but this will not happen.

The present wave of mass sackings and closures in US industry will continue through to 1997. Some 250,000 job losses announced in 1993 will only take effect in 1994-96, for example. New households are forming at a rate 30% slower than in previous recovery cycles. Moreover, wage levels are stagnant and will not improve without a major revival of class struggle.

Thirdly, in the past, strong cyclical recoveries were usually accompanied by big interest rate cuts which improved profit margins. Since 1990, the real rates have, indeed, come down below their 1980-92 average and, since January 1990, the US has cut interest rates by 4%. This has benefited all those holding debt. Net interest payments by non-financial corporations now only consume 20% of their cash flow compared to 30% in late 1989. The cost of financing new capital investments has come down from 5.6% to 3.5% in the same period.

This trend has clearly helped to stimulate new investment which was running at an annual rate of 11% in the second half of 1993. Nevertheless, while these factors represent a cyclical boost, persistent budget deficits and overhanging debt are still likely to keep real interest rates high in the 1990s as compared to the 1970s.

Fourthly, fiscal policies of governments are usually relaxed by the trough of a recession and this acts as stimulus to recovery through tax breaks or spending boosts by government. This time, the policies of the Clinton administration are deflationary. Tax rises and spending cuts will take

effect in 1994/95 in order to cut the budget deficit and will curb GDP growth.

Finally, the US is a more strongly export oriented economy in the 1990s than the 1980s[27] and an expansion of international trade would certainly help to boost the recovery. The Uruguay Round of GATT concluded with a compromise deal in December 1993. In addition, the signing of NAFTA with Mexico will certainly benefit the US industries at the expense of Mexico.

Nevertheless, the US suffers from a growing trade imbalance. The dollar has been appreciating against major currencies since the second half of 1993 and this will hit exports. Moreover, the prolonged recession in Japan and Europe ensures that foreign demand for US goods is weak.

The US is thus unikely to be able to sustain a robust recovery and certainly cannot act as the locomotive of recovery for other economies, as it did after 1982, by a massive domestic reflation. Meanwhile, the fate of Europe and Japan in 1994 and 1995 is likely to be even worse. Europe is in the trough of its recession while Japan is still heading downwards.

In Europe, the earlier recession and earlier recovery of the UK and Nordic countries have not been able to counteract the effect of Germany's recession on the region. Conjunctural reasons partly explain the timing of the recession there. Re-unification has caused a massive 5-7% transfer of GDP from the west to the east. The initial effect was to extend the recovery through expansion of construction and basic goods. But this gave way to its opposite as real incomes in the west fell away and with them demand for many durable consumer goods. Tax increases—set to strengthen this year—have increased this effect.

But the underlying causes of German capitalism's difficulties were already apparent before unification and are related to its worsening competitiveness as expressed in poor productivity performances compared to the US, Japan and even the rest of the EU. This has damaged the export performance of the most important exporter of manufacturing goods in the world. The massive wave of sackings, plant relocation and changes in working practices currently taking place in Germany reveal the extent of the problem and the scale of what has to be done to change it.

Nevertheless, if the government and industry are successful in their plans to offload the recession on the working class then the effect of the deflationary measures could wear off by the end of 1994 and the benefits of lower interest rates (down from nearly 10% in Q3 1992 to 6% in early 1994), together with an earlier cyclial recovery already underway in the rest of the EC, could boost the global upturn by 1995.

Japan's recession is now deeper than 1973-75 and more generalised throughout the economy. GDP growth in Japan was only 1.3% in 1992 and 0.3% in 1993. During 1992 industrial output crashed by 8%. A weak recovery in 1994 will be the shallowest of any since the war.

Japan's mid-1970s recession was due to an external shock caused by a huge explosion of its production costs in the wake of the oil price rises. It quickly adjusted and resumed its growth. The 1980-82 global recession hardly impinged on Japan at all but today's recession is home grown and structural; the general enduring problems of capital accumulation have now hit Japan with full force. It has come of age and as a result its so-called "exceptional" features will disappear. Already in this cycle, voluntary redundancies among core older workers have been introduced for the first time; soon it will be enforced sackings. For the first time in Japan's post-war history a car multinational (Nissan) has announced the closure of a domestic car plant.

On the basis of such a weak upturn during 1994 and 1995, it is absolutely certain that mass and long term unemployment will continue to grow. GDP growth of between 3% and 4% a year would be needed in the main economies if unemployment were to be reduced. Already, in the USA, the proportion of those suffering long term unemployment (i.e. those out of work for two years or more) is the highest for over 50 years.

Another 1.3m jobs in defence-related industries and suppliers will go in the US before 1997. Moreover, the huge growth in service sector employment (up by one-third in the 1980s) has stopped in this recession. It will not regain its momentum since new technologies are being applied more rigorously in this sector.

In France, growth for 1994 is forecast by the Banque de Paris at 1%—and that providing the German economy does not worsen; yet growth will have to be in excess of 3% if the current 12% unemployment rate is not to worsen during the upturn. By 1995, the OECD estimates that at least 22 million (12%) will be unemployed in Europe.

The cyclical upturn of 1994-95 will not overcome the inherited problems of the post-1973 period. There will be no return to rising productivity alongside rising real wages and falling unemployment for the majority of the working class in the OECD countries.

Outside of China, there will be no significant growth in the proletariat and industrialisation alongside real per capita increases in income in the semi-colonial world. On the contrary, the problems that have beset the core capitalist countries since the end of the long boom will constrain and shape the nature of the next cycle. But is it excluded that the capitalist nations—above all EU, Japan and USA—could overcome these barriers to accumulation without turning on one another first in trade wars and then in military conflict?

In the first place, a massive and extended process of liquidating excess capacity in major industries would have to occur. A process of large scale (moral and physical) devaluation of capital would have to be followed by a complete technological transformation of all major production processes such as occurred in 1895-1913 and again after 1940. Short of this, only solutions of an inter-class character exist; more ruthless attacks upon the workers, lowering real wages, enhancing productivity through speed ups and unemployment, savaging benefits to help curb government deficits and thus lower the cost of capital. But each of these, on past performance may only delay the need for an inter-state conflict to destroy excess capital. Moreover, each of the attacks on working class employment and wages introduce further problems in sustaining effective markets for durable consumer

goods. As always the working class has the fate of the capitalist economy in its hands. If it builds the leadership it needs then it can take advantage of the boom-bust cycles and, prompted by the enduring miseries of stagnant wages and mass unemployment, can put an end to this system once and for all. ●

NOTES

1 The longer recovery in the 1980s can be explained in part by the slower rate of accumulation in the 1980s. It produced a slower rise in the organic composition of capital; waves of scrappings, the cheapening of the means of production and the effects of "just-in-time" methods on inventory levels all contributed to this effect.

2 Between 1986-88 land prices in Tokyo multiplied three times. Between 1986-89 stocks grew by the same amount.

3 Bank loans to small companies doubled in the second half of the 1980s and these loans were invested mainly in land and stocks. The Japanese government decided to call a halt in 1989 by raising interest rates precipitating the crash. In the first year after the crash equity prices fell 40%, then a further 38% up to August 1992. Land prices collapsed in 1990-92. The banks were left with huge bad loans on their books, restricting their ability to provide credit.

4 It was in the US, UK and Scandanavia that the effects of "asset deflation" were felt first and hardest. There the levels of debt were highest as credit boomed in the late 1980s to finance mergers and consumer spending. In the USA this was especially necessary given stagnant or falling real wage levels throughout the recovery. In the UK the recovery turned feverish in its last years as a huge rise in house prices led many homeowners to borrow on the basis of this rise in the value of property, in order to finance current spending.

5 The coming fall was anticipated in the US by a dramatic slump in productivity across the whole economy in 1987, but especially in the service sector.

6 German corporate profits continued to grow into 1990 and peaked only in 1991.

7 See *Business Week* 15.3.92. Profits rebounded in Q1/92 and by Q4/92 had risen 20% on Q4/91, up by $26bn.

8 See *BIS 1993 Annual report* p22

9 See OECD *World Economic Survey 1992*. For the OECD countries the peak was 1989, the same for the G7.

10 See A Glyn, *Socialist Register 1992*, p93. Glyn also suggests that the UK fall in 1991 was bigger than the BIS table suggests, in fact a fall of 12% making it the biggest annual collapse in UK investment since the Second World War.

11 The BIS estimates that the trough-to-peak growth in G7 output in the last cycle (1982-89) was 3.5%, more or less the global figure too.

12 See Maddison 1982. The same figure is given by A Glyn *op. cit.* for the OECD average for 1960-73. For the 1960s the world average GDP growth rate was 5.1%pa. (See Brett)

13 Magdoff, *Socialist Register 1992* p48. Maddison estimates it at 3.8% for 1950-73. Dobbs has pointed out that the years 1950-73 were an exceptional period of high growth for capitalism.The post-1973 period thus represents a return to capitalist "normality"

14 Naturally, this was compensated to some degree by the shift in the location of industrial production to semi-colonies in the 1970s and 1980s. But the trend for the whole third world is the same and the growth in the NICs, while impressive, only accounts for 3% of global industrial output.

15 BIS figures on business fixed investment in the 1982-89 recovery show that the UK had the strongest growth of all the G7 countries (10%pa and 3%pa above the G7 average). This corresponds well to the rebound in profitability and this investment also helps to explain the huge improvement in manufacturing productivity in the UK in the same period—4.2%pa for 1979-89 —a 400% increase on the 1973-79 figure.

16 See Glyn *op cit* p90. We can express the same thing in terms of Net Domestic Product ratio. This is calculated by dividing the gross investment by net domestic product. It measures the value created by each new unit of investment. Using OECD figures we calculate that there has been a long term decline in investment's effectiveness as excess fixed capital builds up. Thus, the ratio has declined from 50.1% (1970) to 49.6% (1974) to 43.5% (1978) to 37.5% (1987).

17 One estimate states that 40% of all US foreign trade is between overseas branches of US MNCs and the US parent company (see *Foreign Affairs, A New Trade Order.*)

18 Between 1980-89 the % of total world trade that was intra-regional went up in the EU (51%-59%), in E Asia 33%-37%) and North America (32%-36%)

19 North America & Mexico; Japan and S E Asia; EU.

20 The percentage of exports covered by non-tariff barriers between the OECD and the Third World is between 30-80%!

21 The US dollar now only accounts for 56% of the world's stock of currency reserves, down 22% since 1973. The DM now makes up 20% and the Yen 5%.

22 Overall productivity was up by 3.1% in 1992 and 1.6% in 1993.

23 The more obvious signs have been the plans for new "information superhighways", the plans to overhaul the poor high school performance of US children and success in reducing the budget deficit through tax increases and spending cuts.

24 Only 5% and 3% of African imports and exports go from and to Japan, 10% and 17% and 10% to and from the USA.

25 *Fortune*, 20.9.93

26 It is a long term trend that the rate of exploitation has increased in the US as real wages have stagnated and gains in productivity are increasingly translated into gains for profits not wages.

27 Internationally traded manufacturing goods make up only one-tenth of US GNP, but exports rise to 25% of GNP if commercial services are included.

Women, work and family

Women carry out unpaid work in the home and growing numbers also labour outside the home for lower wages than men. But is there a contradiction between the state's policy on the family and the bosses' plans for the workforce? Helen Watson investigates.

Marxists have long argued that a vital part of the fight for women's liberation involves drawing women into the employed workforce. In the nineteenth century Marx's life-long collaborator, Frederick Engels, wrote:

". . . to emancipate woman and make her the equal of the man is and remains an impossibility so long as the woman is shut out from social production and restricted to private domestic labour. The emancipation of woman will only be possible when woman can take part in production on a large, social scale, and domestic work no longer claims anything but an insignificant amount of her time. And only now has that become possible through modern large-scale industry, which does not merely permit the employment of female labour over a wide range, but positively demands it, while it also tends toward ending private domestic labour by changing it more and more into a public industry."[1]

Developments in modern capitalism seem to both affirm and contradict Engels' view. It is certainly true that more and more women have been drawn into social production. It is also true that certain aspects of domestic labour have been socialised. Nevertheless, the reality for millions of women who work outside the home is that when they finish their shift for a boss they return home only to begin another one on behalf of the family, doing the housework and looking after the family. Their oppression appears to be intensified by this "double shift". This has led some feminists to challenge Engels' view as simplistic and over-optimistic. Heidi Hartmann wrote:

"For Engels, then, women's participation in the labour force was the key to their emancipation. Capitalism would abolish sex differences and treat all workers equally. Women would become economically independent of men and would participate on an equal footing with men in bringing about the proletarian revolution. After the revolution when all people would be workers and private property abolished, women would be emancipated from capital as well as from men."[2]

Sheila Rowbotham, a socialist feminist, argued:

"One strand of Marxism, following Engels, tended to be optimistic about the potential of women's involvement in the labour force. Marxists still [in the 1970s] stressed that work enabled women to organise and challenge capitalism—despite considerable evidence that this was not an automatic process . . ."[3]

These criticisms of Engels miss the point. He wasn't suggesting that liberation would come simply as a result of women being transformed from domestic slaves into wage slaves. Nor did Engels, or any Marxists since, believe that entry into the workforce would automatically eradicate women's oppression. What Engels did identify was that the entry of women into social production and waged work would achieve two things: it would provide women with some economic independence from their fathers or husbands, creating a greater potential for them being able control their own lives; it would also draw women into social production with the potential for raised class consciousness, socialisation with other workers, and the possibility of collective action to change society. Both of these implied benefits require the conscious organisation and struggle of the working class, particularly women, to be realised.

Women have increased their economic independence as a result of work to some extent, but low wages mean that this is not absolute economic independence. The last twenty years has seen a big increase in the number of professional women who earn enough to live alone and even to support children, but they are a minority of women. The great majority of working class women face considerable poverty if they choose to live alone with their children. But even limited economic independence should not be dismissed—more women are able to leave violent and abusive relationships with men, and more women are seeking divorce and choosing to live differently than forty years ago.

There is no doubt that work does increase women's socialisation and companionship, generally with other women, and this is one reason often given by women for wanting to keep their jobs. Women say they appreciate the socialisation of work and prefer not to stay at home full time.[4] Some jobs make this very difficult—working in isolated workplaces as cleaners, for example—but for other women this is a great gain over the isolation of staying in the home. To develop this into class consciousness, in organisation and struggle to improve conditions and challenge oppression, women must actively organise within the labour movement.

The feminists who criticise Engels should examine the balance sheet of the last hundred years. Is it the case

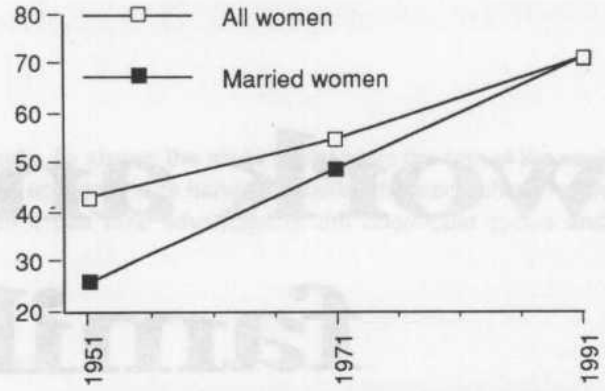


Figure 1: Proportion of women in paid work in Britain, 1951-1991. Source: Hakim, 1993

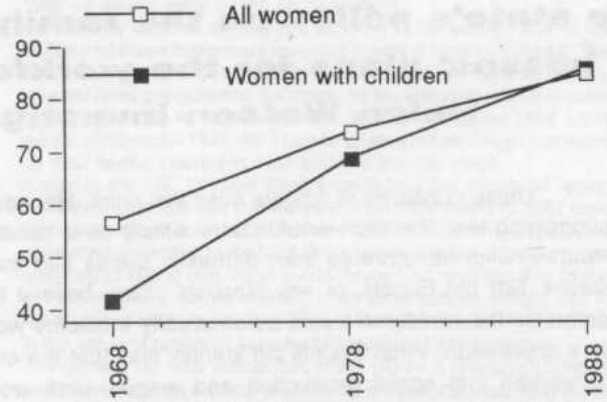


Figure 2: Proportion of women in paid work in Sweden, 1968-1988. Source: Jonung and Perrson, 1993

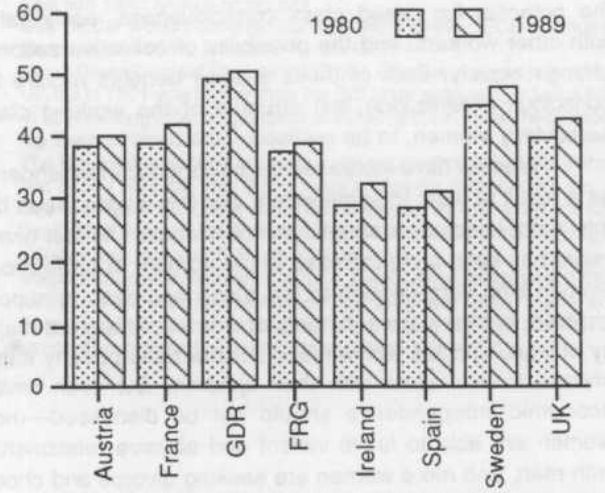


Figure 3: Women's employment as a proportion of total employment in Europe 1980-1989. Source: ILO, 1992

that the situation for many working class women, primarily in the imperialist countries, has changed for the better? The fact that there are more women involved in the labour movement and in political life, that there have been a whole series of struggles by women workers, even that attitudes towards women workers have changed (albeit only to a limited extent) are all indications that some improvement has taken place as a direct result of the mass entry of women into the workforce.

But women's oppression has not been eliminated, nor has the bulk of domestic work has been socialised. Capitalism is incapable of achieving such things. Its crisis ridden development has produced a new situation. Many women have been successfully drawn into social production, thereby creating the possibility for such women to collectively fight oppression as workers. But capitalism continues to impose the burden of the maintenance of the family and of domestic labour, more or less exclusively, onto the shoulders of women. This contradiction is an explosive one.

In recent recessions the capitalist state has attempted to cut public spending and shift more of the burden of care back into the family away from collective state institutions, yet at the same time women's employment has continued to expand while that of men has fallen. Without a fundamental shift in domestic responsibilities away from women, a reversal of the trend towards cutting state welfare provision, or a decline in women's work outside the home there will be a growing conflict between domestic and work responsibilities for women.

The capitalists in many countries are split over how to deal with this contradiction. Should they increase social provision to help women to remain in work, or should they push women back into the home? Neo-liberal policies have promoted the expansion of women's work because of the lower wage and other costs for the bosses and the greater flexibility of hours that can be worked by women. While the bosses hope that this in turn will exert pressure on men to accept lower wages and greater flexibility, they also have to contend with the consequences for family life of greater male unemployment, and of the changes in household responsibilities that result from women going out to work.

Alongside the growth in women's employment there have been significant social changes—divorce has become easier in many countries, abortion and contraception are more widely available, and more women are entering further and higher education. The impact of these developments on the working class has been great. Single parent families have increased in number and divorce rates have risen. These changes could undermine the ability of the family to take responsibility for welfare provision when the state tries to cut public spending.

There has been an increase in women's employment in most imperialist countries since the early 1950s, after a brief decline in the late 1940s as women were thrown out of their war-time jobs. The growing proportion of women in the labour force in the UK and Sweden are shown in Figures 1 & 2, but trends are similar in much of Western Europe and North America. This rise means that women now make up almost half of the workforce in most countries (Figure 3), and are even becoming a majority in some areas.[5]

Alongside this general increase, there has been a more dramatic increase over the past two decades in the numbers of married women and women with children who continue to work (Figures 1 & 2).

In Britain, the biggest change in employment in the last two decades is the increase in married women's work—in 1971 fifty per cent of married women worked; by 1990 that had risen to 71%, while the proportion of single women working remained stable at 72%.[6]

This means that women are working outside the home for most of their adult lives, with shorter periods of time off for childcare and domestic responsibilities. In the 1950s and 1960s women tended to work before the birth of their first child, and then possibly again after the children had grown

up.

Now women are more likely to take only a few years off around the birth of their children.

While these figures show a convincing trend, there are many disputes over how to interpret them. The high economic activity rates for women with children in Sweden and France, for example, are related to systems of maternity leave and benefit which allow women time off while still registering as "economically active". In other countries, such as the UK, where maternity benefits are far more restrictive, there is still a drop in women's work at the ages when they have small children.

The increase in women's employment in the imperialist countries has been associated with a general shift in employment away from heavy industry and manufacturing, and towards greater employment in lighter industries and service sectors. There has always been a strong segregation of the workforce under capitalism, with women concentrated in different industries to men. Within the same industries women predominate in jobs with lower grades. This segregation has meant that the decline in traditional manufacturing and extractive industries such as mining and steel has caused a loss of male jobs, while the expansion of the service sector and industries promoted an increase in women's jobs. In Britain, for example, in the years 1971-1991 2.8 million fewer men and 2 million more women were employed.

The result is that during the recent recession while overall employment has fallen, it is male jobs that have been hit hardest. In Britain in 1991-2, 1.75 million compulsory redundancies were notified, of which 60% were male, 40% female. In the late 1970s many expected that recession would push women back into the home, and indeed for a period women were losing their jobs twice as fast as men. However, as a whole, the period after 1973 has witnessed fe-

Women have always worked

The majority of women have always "worked", carrying out both domestic and waged labour. The changes that Engels anticipated, and that we have seen in the post-war period, relate to waged labour. Before industrial capitalism women worked within the household—not simply on tasks associated with what we now call "housework", but as part of the family as an economic unit, producing on the land or in the home. Some of the products were for the family, some destined for the market. In 1930, Ivy Pinchbeck, in a classic study of women and the industrial revolution, wrote:

"It is often assumed that the woman worker was produced by the Industrial Revolution, and that since that time women have taken an increasing share in the world's work. This theory is, however, quite unsupported by facts. In every industrial system in the past women have been engaged in productive work and their contribution has been recognised as an indispensable factor.

But for centuries, under the handicraft and domestic systems, the greater part of their work was carried on in the home and there taken for granted. It was only when new developments brought about the separation of home and workshop that a far greater number of women than ever before were compelled to follow their work and become wage earners in the outside world." [Pinchbeck, 1981]

During the industrial revolution in Britain, women were drawn into waged labour in large numbers, as were children in some sectors. This trend created terrible hardship for the working class with long hours and intense exploitation of all members of a family.

The reasons for this were clear—capitalism needed more and more labour to increase its profits and, by drawing more members of the working class family into waged labour the wages for each one could be reduced, because the costs of the reproduction of their labour power were reduced.[Marx]

The human cost of the employment of women and children in the factories and mines was enormous, damaging the health and welfare of the whole working class. Where previously women combined productive work in the household with domestic work for the family, now women were out for long hours with no time for domestic work.

The second half of the nineteenth and early part of the twentieth century saw a reversal in this trend, with the widespread exclusion of married women and children from the industrial workforce. This happened for a number of reasons—pressure from the working class demanding protection for children and women workers from the worst effects of exploitation, moves by the male trade unions to exclude women from production because female labour was seen to undermine their wage levels, and moves within the capitalist state to regulate hours and conditions of the working class.

While individual capitalists could make greater profits through increased exploitation of the whole working class in waged labour, this could not be sustained indefinitely as it was undermining the health of the working class. The labour power of the workers has to be reproduced if capitalism is to have a new generation to exploit, and this means workers having time for domestic work and care for children.

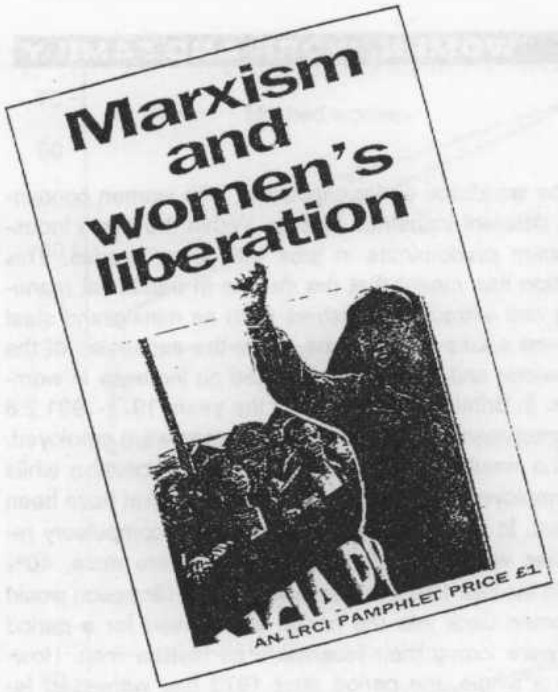
Achieving the time necessary for such reproduction was a gain for the working class in the nineteenth century, but it was carried out in a way that reinforced the oppression of women. Rather than all workers having time for domestic work, the working class family was re-established with the woman responsible for all domestic work.

Although many women continued to work in waged labour, the "ideal" family promoted both by the ruling class, the state and most trade unions, was of the male breadwinner with a non-working wife looking after the children at home.

The first half of the twentieth century therefore saw a much lower level of female participation in waged work, particularly for married women. This was reinforced in Britain by a marriage bar at the turn of the century which excluded married women from some sectors of employment.

The long term trends in female employment in Britain show that from 1851 to 1871, 40-42% of adult women worked. This fell to 32% in 1881 and stayed around that level until 1931 when it began to rise again.

These figures, based on census returns, are likely to be underestimates due to the under-reporting of some types of female work (such as domestic based work for other people, homework and casual work), but show how women, particularly married women, were excluded from work. ●



male employment rise, both during periods of recession and recovery. This trend is clear in the UK, the US and much of Western Europe. This "substitution" of female for male labour is partly due to the shift in employment away from heavy industry, but is also due to the growth in part time work.

In Britain, the total number of people with jobs rose from 23.3 million in 1961 to 25.7 million in 1991, but this included an increase in part time work from 2.1 to 6.7 million, and a decrease in full time work from 21.3 to 19.0 million. During the last recession, 90% of the compulsory redundancies notified from 1991-2 were for full time jobs.

The increase in women's employment is therefore the result of a combination of factors. The overall restructuring of the workforce away from heavy industry, the growth in part time work, demands from women for work and greater preference for women workers by many employers all play a key role. One of the main attractions for the bosses is that women's wages are much lower than men's. This is true for hourly rates, overall income and for fixed costs of employment such as pensions and benefits, because in most countries women are less likely to be entitled to full benefits.

The ruling class gains enormously from the greater employment of women. But on the other hand, while most women now work for most of their adult lives, they are still responsible for the vast majority of domestic work and childcare. This creates problems not only for the women, who have to juggle two roles, but also for the government which needs women to plug an increasingly wide gap left by the state's withdrawal from child-support and other provision.

Occasionally this becomes a problem for individual employers, who find that they have to provide workplace nurseries and more generous holiday leave to keep skilled women employees from giving up work. But in general it is an issue for governments, and their response varies from country to country.

In France, for example, government policy has fluctuated with the fortunes of the economy. In the post-war period when employment was growing, the government combined family policies designed to strengthen the family unit and increase the birth rate with employment policies designed to promote women's work to meet labour shortages. The subsequent growth in unemployment prompted a number of policies designed to give additional support to families where the woman stays at home to look after children, and to those who have three or more children.

In the mid-1980s the Mitterrand government introduced a "bringing up" allowance awarded for the third child, paid for two years to a parent who stopped working. This, combined with tax and benefit advantages, encourages women to stay at home. Women with three or more children are much less likely to work. However, those with one or two children are highly integrated into work, through the extensive state childcare provision. There are far more nursery places in France than in many other countries, such as the UK, so that 33% of two year olds, 80% of three year olds and 97% of 4 to 6 year olds attend nurseries.[7]

The position in Britain is very different, but the same conflicts exist. In post-war Britain the government had similar concerns about the stability of the family. It developed policies to rebuild the family, promoting adequate mothering and an increase in the birth rate. They did this in part by increasing state welfare provision, such as the National Health Service, and through direct financial incentives, in the form of the family allowance, to encourage women to have children. Women's work outside the home was explicitly condemned by psychologists, doctors, state officials and the media. An East London Magistrate wrote in 1955:

> "Quite simply it seems to me that by far the most far-reaching change in modern society is that the family is not considered to be so important as it used to be and it is because of this that we have in our midst so many suffering, unhappy and delinquent children . . . legislation regulating the working hours of mothers of school age children is one of the most urgent reforms required for the creation of good homes."[8]

In fact such legislation was not introduced, but married women were discouraged from working. The welfare changes introduced in this period were based on concepts developed by Lord Beveridge, who assumed that a married woman, whether or not she had children, would not work outside the home and would therefore be effectively treated as dependent on her husband. The welfare policies developed were to assist women in their role as full-time mother and housewife, rather than to relieve her of any responsibilities. So the launch of the great welfare state saw 50% of war-time nurseries close by 1955.

At the same time the government faced a shortage of labour and many women who had worked during the war were resistant to being thrown back into the home, so the employment of women began to rise again. Married women worked, but generally before having children and again once the children had left home—creating two peaks of women's employment by age. Gradually women with children also began to work more, so that by the 1970s non-working mothers were a minority. However, because the state refused to reverse policies on childcare, and because of its ideological commitment to non-working mothers, women had to combine work with their domestic responsibilities.

Throughout the 1980s Britain was ruled by a series of Tory governments bent on a radical scaling down of state provision. They set out: "to encourage families to resume responsibilities taken on by the state, for example responsibility for the disabled, the elderly and unemployed 18-year olds."[9]

This has been achieved by cutting social provision, removing benefit entitlement to young workers, and closing

hospitals and other care institutions. Childcare provision remains very low in Britain, with fewer than half the number of day care places for under five year olds than there were in 1945. In 1985 only 20% of 3-4 year olds were in primary schools compared with more than 50% in most European Community (as it was then called) countries. Families have to make their own arrangements, including expensive private childcare—parents of pre-school children now pay 4.5 times as much on childcare as they did eleven years ago. This is in addition to the care provided within the family—50% of childcare for women working is provided by husbands, compared with only 16% in the USA.[10]

For millions of women workers and their families this creates greater problems balancing work and home lives, and yet working class families cannot afford to exist with only one income, especially if they have extra caring costs in the home. In order to carry out their domestic responsibilities an increasing proportion of women work part time (Figure 3).

What has happened overall, is that women have continued to balance their work and home responsibilities, while providing a highly exploited workforce for the bosses. The working class as a whole, and women in particular, are paying a high price for capitalism's crises through long hours of work at their double shift. Men have lost full-time higher paid jobs, another way of making the working class pay for capitalism's inadequacies.

The ideology of "a woman's place" being in the home is still strong. This ideal has been consciously challenged by socialists and some feminists, but it seems as if men have not taken on very much of the domestic work. One study in Britain showed that working women have only 22 hours of leisure per week, compared with 49 hours for men.[11] And within the home there is still a sharp segregation between "men's" and "women's" tasks. So women still do the housework, before and after their work shift, and are still the ones to take time off if the children or other family members are ill.

This brings us back to the debate we began with—does work liberate women? The answer is clearly no. But the question is wrong. Work, in and of itself, is not a liberator under capitalism. It is a means of enslavement. For women that enslavement is taking on the form of the double shift, with increased domestic responsibilities imposed on them because the capitalist state cannot afford the level of welfare spending required to seriously socialise domestic labour.

But work is a means of entering social life and of forging collective links with other workers. For women this is and remains a great advantage. It is the key to advancing the struggle for women's liberation, but it is not in itself the bringer of liberation. To capitalise on this advantage the working class, and women workers in particular, must embark on a great organising drive. Today women are generally less well organised in the unions than men—in Britain the proportion of working women organised in unions is 32%, compared with 39% for men.[12] This is due to the type of jobs women have and particularly to the number of part time workers. But it is even more difficult for women to be active trade unionists, due to the lack of meetings in work time, problems of organising childcare, and the inhospitable nature of some union meetings. Therefore women are often poorly represented in the leadership structures of unions. Women also tend to be under-represented in political parties and campaigning organisations, again a reflection of their domestic burdens and social oppression.

To address these problems we must fight for the reorganisation of the unions along lines that open them up to women workers, with meetings in work time, with child-care facilities, with women's caucuses in the unions. Unions must be made to become champions of the struggle to stop the capitalists savaging the welfare provisions that can alleviate some of the effects of women's oppression.

They must fight for a level of welfare provision that can begin to genuinely socialise domestic labour—24 hour creche facilities, massive expansion of hospital provision, good quality state run homes for those who require permanent care, and so on.

Unions fighting for such goals can become attractive organisations to the millions of unorganised part-time women, provided that they also actively seek to unionise such women and promise them real support in their fight for equal wages, job security and equal pension and benefit rights.

All of these measures point towards women's liberation. And they can best be fought for by women workers, and the class as a whole, organised collectively, as workers.

In this sense Engels' view on the importance of drawing women into social production retains its full validity. Playing a full role in the struggle against capitalism as workers is liberatory. Victory in that struggle, the achievement of working class power, can lay the basis for complete liberation.

Women workers have been involved in militant struggles, fighting for equal pay, improved conditions and for union recognition. What we have not yet seen is the creation of permanent, militant, organisations of working class women fighting specifically against oppression and exploitation at work. Building such organisations is a key task for the working class in coming years. Unless women and men organise, the bosses will shift more and more of the costs of their economic crisis onto the working class. ●

NOTES

1 F Engels, *The Origins of the Family, Private Property and the State*, London, 1972

2 H Hartmann, "The unhappy marriage of Marxism and feminism: towards a more progressive union", in L Sargent (ed) *Women and Revolution, the unhappy marriage of Marxism and feminism, a debate on class and patriarchy*. London, 1981.

3 S Rowbotham, *The past is before us, feminism in action since the 1960s*. London, 1989.

4 Reported in *Fiscal Studies*, November 1993. Based on interviews with 13,000 adults in the Government's UK Family Expenditure Survey for 1991.

5 Women are the majority of the workforce in several areas of the UK—in South Wales and parts of London, for example. The participation rate for women is 1.5% higher for women than men in South London. In East Germany prior to reunification, women made up 50.6% of the workforce.

6 Office of Population Censuses and Surveys, 1991. *General Household Survey*, London, HMSO.

7 P Bouillaguet-Bernard and A Gauvin, "Women, the state and the family in France: contradictions of state policy for women's employment", in J Rubery (ed) *Women and Recession*, London, 1988.

8 B Henriques, an East London Magistrate, cited in J Lewis, *Women in Britain since 1945; women, family, work and the state in the post-war years*. Oxford, 1992.

9 Report from the Family Policy Group, 1983.

10 J Lewis op cit

11 Cited in S Newell, "The Superwoman Syndrome: gender differences in attitudes towards equal opportunities at work and towards domestic responsibilities at home". *Work, Employment and Society*, 7(2):275- 289, 1993

12 "Still a long road to equality", *Labour Research*, 83(3);5-7, 1994.

The Uniting theory

The Bolshevik programme for the national question was developed out of a critique of the experience of the Second International in the years up to and including the First World War. It was a revolutionary policy hammered out in response to a new period of capitalist development ushered in by imperialism. Dave Stockton looks at the debates within Russian social-democracy up to the the Russian revolution of 1917 and examines the policy of the Bolsheviks at the head of a young Soviet State trying to resolve the problem of national oppression within the former Tsarist empire. The contrast with Stalin's later actions in respect of non-Russian minorities is thereby all the more obvious.

"Whatever may be the further destiny of the Soviet Union—and it is still far from a quiet haven—the national policy of Lenin will find its place among the eternal treasures of mankind."[1]

When Leon Trotsky wrote these words he was looking back over two decades in which Lenin developed, defended and modified the Marxist position on the national question. His high estimation of Lenin's contribution was accentuated by the process of bureaucratic degeneration which the young workers' state had undergone after Lenin's death.[2]

In the brief period, from late 1913 to the outbreak of war, Lenin paid a great deal of attention to the national question. From 1915-1917 he engaged in a struggle within the Bolshevik party and with the groups of revolutionary internationalists that stood closest to it.

For a whole period Lenin seemed to be losing the battle as one prominent Bolshevik after another—Shaumyan, Dzerzhinsky, Lunacharsky—came out against the right of nations to self-determination.

In the years 1917-1919 the struggle entered a new stage as the ruling Bolsheviks sought to rally the non-Great Russian populations of the embattled workers' state to the side of the victorious soviets.

In the face of failed workers' uprisings, seceding bourgeois regimes, and even in the presence of underdeveloped national movements, Lenin fought for the unconditional right of self-determination for those nationalities and peoples oppressed by Tsarism and Great Russian chauvinism. This was always advanced as a way of hastening the class differentiation within the various nationalities.

Lenin and Trotsky's policy sharply contrasted with that of Stalin. During the Civil War Stalin had little patience with national grievances. In the areas formerly subject to Tsarist Russia's oppression Stalin sought military and bureaucratic solutions to the overthrow of the national bourgeoisies. In place of the action of the working people themselves, he transformed military expediency into wilful indifference to the fears and suspicions of the former oppressed peoples. This was then to turn into outright national oppression when Stalin had absolute power—a policy that was to reap its revenge with the break up of the USSR fifty years later.

Bolsheviks and the National Question and practice, 1913-1923

In the pre-war years Lenin's elaboration of the Bolshevik policy on nationalities entangled him in sharp arguments with his closest collaborators. Nikolai Bukharin (1888-1938) was the brightest and most original theoretician in the Bolshevik ranks, after Lenin, in the period around the outbreak of the first world war. He was the only Bolshevik to directly influence and indeed change Lenin's views on major theoretical questions—on imperialism and the question of the state.

The debate over the nature of the new epoch was to prove important for the development of a programme to respond to the national question. There were clear differences between the theory of imperialism which Lenin developed, and that of Bukharin. In particular, Bukharin stressed the fusion of trusts, within each developed capitalist nation, into a state capitalism, the suppression of competition, at this level and its transposition to the world scale.

For Bukharin, there was "a very strong tendency towards transforming the entire national economy into one gigantic combined enterprise under the tutelage of the financial kings and the capitalist state".[3] Competition at the level of world economy necessarily became politicised and militarised. Here the "New Leviathans", the "imperialist robber states," clashed with one another to achieve world dominance.

Lenin tended to stress the continuing uneven and multi-layered nature of capitalism. Imperialism, with its dominance of finance capital, its cartels and trusts, its intimate interconnections with the state, did not obliterate all previous forms of capital. Also its tendency to seize and plunder the weaker and less developed countries did not abolish the national question. Rather, it raised it to a new role, resistance not to pre-capitalist, feudal forms but to capitalism in its highest stage. The result of Bukharin's emphasis, in contrast, was that the general democratic and the specifically "national" programmes of revolutionary social democracy had become increasingly utopian.

Bukharin was the leading figure of a group of young Bolshevik intellectuals who became known as the Baugy group, from their place of exile, near Lausanne in Switzerland. They developed disagreements with Lenin, on the breadth of the internationalist current, on the slogans for opposing the war and on the role of minimum demands, especially the right of nations to self-determination.

The arrival from Russia of Yurii Pyatakov, and Evgenia Bosch, who immediately reinforced the Baugy group, had the effect of sharpening the dispute over the national question. Pyatakov and Bosch were convinced advocates of Rosa Luxemburg's positions on the national question.

The Baugy group was also in agreement with Karl Radek, the chief spokesman of a group of Polish and German internationalists who, with Lenin, formed part of the Zimmerwald Left but who supported Rosa Luxemburg's opposition to the self-determination slogan.[4]

Bukharin, inclined to draw one sided and abstract conclusions from his own theory of imperialism, abandoned the support of the right of nations to self determination which he had defended in 1913. Indeed, he went further and began to question the use of the entire minimum programme. In his new thinking this had to be totally subordinated to the struggle for socialism. Effectively, he moved over to Radek's Luxemburgist position. This can be seen in the theses he wrote in November 1915:

"The slogan 'self-determination of nations' is first of all utopian, as it cannot be realised within the framework of capitalism. It is also harmful as it is a slogan that sows illusions . . . In no case and under no circumstances do we support the government of a great power that represses the insurrection or rebellion of an oppressed nation. At the same time we do not mobilise proletarian forces under the slogan of the 'right of nations to self-determination'. Our task in this case is to mobilise the forces of the proletariat of both nations (jointly with others) under the slogan of civil, class war for socialism and to propagandise against the mobilisation of forces under the slogan of the 'right of nations to self-determination'."[5]

Bukharin, Bosch and Pyatakov made an exception for the colonies where there was only an embryonic capitalism (and a tiny proletariat). Here, they declared that, since the struggle "is not a question of socialism" and because "it can objectively aid the proletariat of the European continent", "we

can support the uprising of the popular classes"[6].

Lenin replied that this whole approach reflected a failure to think through, not just the relationship between imperialism and national rights, but capitalism and democracy in general, of which the right of nations to self-determination is a specific application and integral part.

Bukharin and Pyatakov had allowed themselves to be disoriented by the crimes committed by the imperialists in the name of self-determination. They were terrified, by the social chauvinists' use of the slogan, into abandoning it altogether. In short, they deceived themselves into abandoning a vital slogan of the revolutionary programme, seeing this as the only way to avoid capitulating to the defence of the imperialist fatherland.

Lenin's reply acknowledged that the bourgeoisie utilised the right of nations to self-determination, just as it utilises the republic, the secular school, the free press, and parliamentarism, to drag the workers into support for the capitalist system. Through deception and fraud the democratic instincts and aspirations of the masses are turned against their own class interests. It is the task of Marxists to expose this fraud in every field where it occurs, not to counterpose to it the abstraction of the struggle for power, which in fact cannot take place until and unless the masses shed their democratic illusions in struggle.

Lenin's young opponents' argument against the right of nations to self-determination applies with full force to *all* rights, that is, to democracy as a whole. Lenin conceded that capitalism, especially in the imperialist epoch, brutally tramples on all these rights. But does this mean that they are worthless? Can the masses be told to put them aside and concentrate on the civil war against the bourgeoisie?

In reality, it is by these political assaults on the masses' rights, quite as much as by the pressure on their wages and their jobs, that the working class is roused into conscious action. The same applied to the peasants. Lenin pointed out that often it was precisely the national question which drew the peasantry into political life for the first time, becoming fused there with the social struggle against their, often foreign, landlords.

Lenin was repeating, on a higher level, the old battle against the "Economists" of 1899-1902. They had tried to limit the definition of the class struggle to the economic struggle and such legal rights as affected the workers as workers. Struggles over political rights, rights applying generally to all classes, which in their origin did not transcend the formal framework of capitalist property relations, were to be left to the liberal bourgeoisie or until a later stage.

Lenin accurately invented a new label for his latest opponents—"Imperialist Economists"—and he warned that for all their "left" subjective inclinations this too was a form of opportunism, because it ceded in practice the leadership of the struggles of the masses to political forces alien to the proletariat.

Lenin insisted that political oppression, discrimination, engenders yearnings and aspirations for democratic freedoms in the masses. Imperialism will intensify these aspirations. Thus to claim that the fight for them must be abandoned because they are a delusion under capitalism would mean to abandon participation in the inevitable and spontaneous struggle of the masses for their rights.

Furthermore, for Lenin this was not simply a matter of winning allies from outside the proletarian class, important as this was, but of uniting the proletariat as a class both nationally and internationally. Lenin insists that the right of nations to self-determination, up to and including the freedom to secede, is the only basis for uniting the forces of the workers of all nations. It does not mean, as the Luxemburgists repeated time and time again, the advocacy of splintering into small states; on the contrary it opens the road to a voluntary unification process. In a reply to Pyatakov Lenin explained:

"The present war unites and merges nations into coalitions by means of violence and financial dependence. In our civil war against the bourgeoisie, we shall unite and merge the nations not by the force of the rouble, not by the force of the truncheon, but by voluntary agreement and solidarity of the working people against the exploiters. For the bourgeoisie the proclamation of the equal rights for all nations has become a deception. For us it will be the truth that will facilitate and accelerate the winning over of all nations. Without effectively organised democratic relations between nations, and consequently without freedom of secession, civil war of the workers and the working people generally of all nations against the bourgeoisie is impossible."[7]

From 1903 to 1917, Trotsky generally conciliated between the two main factions of the Russian Social Democratic and Labour Party (RSDLP). This led him into various harsh disputes with Lenin.

However, Trotsky never disagreed with Clause 9 of the party's programme supporting the right of nations to self-determination. Yet Lenin several times expressed suspicion about Trotsky's views because the latter was often involved in blocks with various forces who did not agree with Clause 9. The most famous of these was the August Bloc of 1912. Mensheviks, Polish Social Democrats and Bolshevik dissidents gathered in an highly unstable and unprincipled alliance. In conference they adopted a resolution endorsing the position of national-cultural autonomy. Lenin was thus able to stigmatise Trotsky's views on the national question as wavering and unprincipled:

"Trotsky has never yet held a firm opinion on any important question of Marxism. He always contrives to worm his way into the cracks of any given difference of opinion and desert one side for the other."[8]

In fact, Trotsky wrote little on the national question until the outbreak of the first world war. Then he began to give a very pointed emphasis to the role which national borders played as fetters on the forces of production, creating the internal convulsions which drove the imperialist powers to expansionist war. He supported a federation of European states as a solution to this development, something which Karl Kautsky had also taken up in the years before the war. This led Trotsky to hold very negative ideas about the viability of nation states, sometimes very similar to those of Bukharin:

"The war proclaims the downfall of the nation state [since] the present war is basically a revolt of the productive forces

developed by capitalism against the nation state form of their exploitation".[9]

He concluded that:

" . . . it is not the business of the European proletariat to defend the outlived national fatherland which has become the main brake on economic progress but rather to create a new more powerful, and more stable fatherland, the republican United States of Europe as the transition to the united states of the world".[10]

Despite the fact that Lenin had also raised the slogan of the United States of Europe at the very beginning of the war he rapidly abandoned it, fearing that it possessed both a utopian and a reactionary side. The former could be used to de-focus from the inevitable necessity of socialist revolution breaking out first in a single country. The latter could mean support for its realisation under capitalism as an imperialist cartel, aimed at preserving the European states' colonial empires against the United States.

After 1917 Trotsky was to give his slogan the new and definitive form of the *Soviet* or *Socialist* United States of Europe, in which form the revolutionary Comintern adopted and used it. But Trotsky clearly took the lead in adopting a federal solution to the problem of states where there was a need to express national self-determination whilst at the same time allowing the productive forces and economic life to transcend the cramping restriction of small states. To Lenin and the RSDLP's insistence on the right to self-determination Trotsky was willing to add the advocacy of voluntary federation.

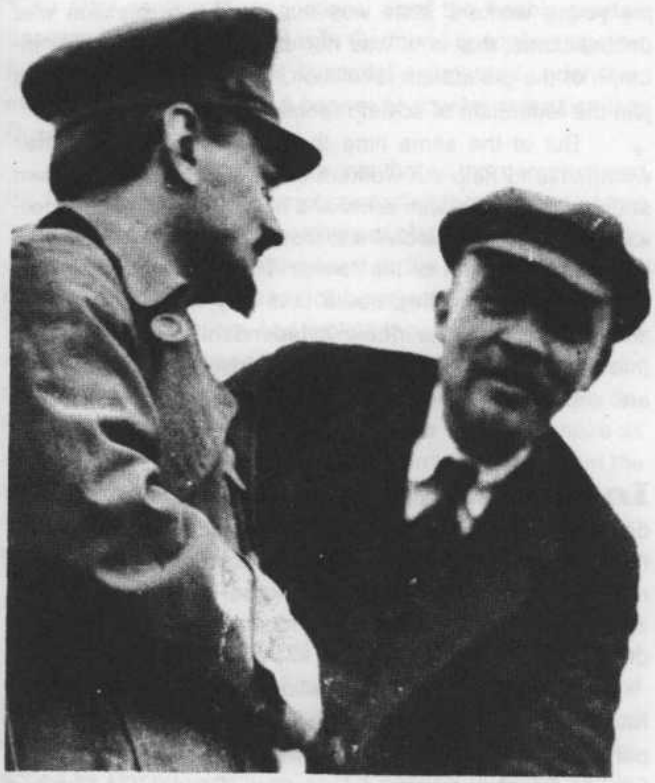
In contrast to Bukharin, Trotsky stressed the clash between the productive forces and the isolated nation state, rather than their fusion with the nation state. Like Bukharin he came to the conclusion that in the new epoch the nation state was a reactionary utopia. Unlike Bukharin, however, Trotsky categorically refused to abandon the right of nations to self-determination. Rather, he explicitly included it amongst the key slogans raised in his first major work on the war, *The War and the International.* [11]

Trotsky thus demonstrated a far more dialectical approach to the whole question than Bukharin. He could nevertheless be as insistent as the latter in his view that the national question had lost its independent force, separate from or counterposed to the struggle for proletarian power:

"The national idea in its naked form, as counterposed to imperialism, is not only impotent, but reactionary; it drags the economic life of mankind back to the swaddling clothes of national limitedness"[12].

But he went on to insist:

"In contrast to the 'socialist' annexationists in Germany and elsewhere we do not intend to throw overboard the recognition of the right of nations to self-determination. On the contrary, we think that the epoch is approaching when this right can at last be realised. We are also infinitely distant from the idea of counterposing the sovereign rights of every national group and grouplet to the centralised needs of the economy. But in the very course of historical development we discover the dialectical reconciliation of both elements, the national and the economic. For us, recognition of every nation's right to self-determination is necessarily complemented by the slogan of a democratic federation of all the advanced countries, the slogan of the United States of Europe."[13]



LENIN AND TROTSKY

Despite the ultimate fruitfulness of Trotsky's view of federation as a resolution to the problem of small states, Lenin had a much clearer view of the revolutionary potential of national struggles against imperialism. This can be seen in the different positions of Radek, Trotsky and Lenin to the first serious outbreak of national revolt in Europe—the Easter Rising in Dublin in 1916.

In an article entitled "The Song is Played Out", Radek took a sarcastic and dismissive attitude to the rising. He argued that the whole Irish national struggle was "played out" because it had always been fundamentally an agrarian question. Since the British had resolved the land question by buying out the Anglo-Irish landlords and creating a peasant proprietor class, the "so-called national question" had evaporated as a serious social phenomenon. What was left was, in reality, simply a petit squabble between the British state and the Irish petty bourgeoisie.

"This movement of Sinn Féin was a purely urban petty-bourgeois movement, and though it caused considerable commotion, it had little social backing. When its hopes for German assistance led it to revolt this amounted only to a putsch that the British government easily disposed of."[14]

This was the classically Luxemburgist way of disposing of the national question; namely, to prove that the bourgeoisie had no interest in national independence, to reduce it to a squabble of the intelligentsia for privileges and thus to demonstrate its utopian character. Lenin's response was ferocious:

"It is not surprising that this monstrously doctrinaire and pedantic assessment coincided with that of a Russian national-liberal Cadet Mr A Classier ... who also labelled the rebellion 'the Dublin Putsch'."[15]

Contrary to Radek's belief, the Dublin rising was related to a long-standing and profound national struggle against British imperialism, Lenin insisted. He went on:

"Whoever calls such a rebellion a 'putsch' is either a hardened reactionary, or a doctrinaire hopelessly incapable of envisaging a social revolution as a living phenomenon". Lenin also insisted that:

" . . . to imagine that social revolution is *conceivable* without revolts by small nations in the colonies and in Europe, without revolutionary outbursts by a section of the petty bourgeoisie with all its prejudices, without a movement of the politically non-conscious proletarian and semi-proletarian masses against oppression by the landowners, the church and the monarchy, against national oppression etc.—to imagine all this is to *repudiate* social revolution."[16]

Trotsky's assessment, although flawed, was certainly better than Radek's. Like Radek he stressed the failure of the Irish countryside to rise as a sign that the agrarian character of the national revolution was greatly weakened, indeed that "the historical basis for a national revolution has disappeared even in backward Ireland". But he particularly observed and emphasised the role played by a section of the Dublin working class:

"The young working class of Ireland, formed as it was in an atmosphere saturated with heroic memories of national rebellion, and coming into conflict with the egotistically narrow and imperially arrogant trade unionism of Britain, has naturally wavered between nationalism and syndicalism, and is always ready to link these two conceptions together in its revolutionary consciousness. It has attracted to itself some young intellectuals and certain nationalist enthusiasts, who in their turn have brought about the ascendancy of the green flag over the red in the labour movement. Thus the 'national revolution' in Ireland too, has amounted in practice to a workers' revolt . . . "[17]

For all its perceptiveness, for all its recognition of the leading role the working class would have to play in order to defeat British imperialism, this assessment has two glaring weaknesses.

Firstly, it tends to reduce the national revolt to its working class component and thereby downplays the significance of the legitimate national revolt against imperialism of other classes.

It was no surprise that the small farmers lagged behind the advanced workers and urban petit bourgeoisie in 1916 but they were far from absent from the next wave of national revolt during 1918-1921. Secondly, it does not concern itself with the struggle for leadership within the context of a national struggle that the proletariat would have to consciously fight and win.

Lenin's emphasis and the lessons he drew were different from both Radek's and Trotsky's. He did not believe that the national question was either "played out" or that it "amounts in practice to a workers' revolt". He recognised the specific role of national struggles in the approaching Russian, European and world revolution:

"The dialectics of history are such that small nations, powerless as an independent factor in the struggle against imperialism, play a part as one of the ferments, one of the bacilli, which help the real anti-imperialist force, the socialist proletariat to make its appearance on the scene."[18]

At the end of the 19th century Great Russians comprised only 44.3 per cent of the total population of the Tsarist empire[19]. During the February to October period the Provisional Government temporised with all of Russia's nationalities, refusing to seriously address their demands for independence or autonomy. The partial exception was Poland which was already occupied by the Germans who had, in any case, given it formal independence under the "protection" of their eastern front forces.

Consequently, the degree of disillusionment with the Provisional Government and Kerensky gathered pace, especially in the western border regions, after the February Revolution. In Finland, Ukraine and also in the Caucasus, the Bolsheviks vigorously raised the slogan of self-determination.

After October 1917, once they were in power, the Bolsheviks proceeded to carry out their promises and proclaimed the freedom of all the formerly subject nations and nationalities to secede even where this meant the recognition of bourgeois and even counter-revolutionary regimes, as in Finland and Latvia. They also recognised the petit bourgeois nationalist regime in Ukraine and the Menshevik (social democratic) regime in Georgia.

The general rule which the Bolsheviks applied when recognising a secession of a formerly oppressed nation from the young workers' state was that such a recognition was unconditional; that is, it was not dependent on the prior triumph of the proletarian revolution, let alone a willingness to join the federation of soviet republics.

But at the same time the Bolsheviks declared their willingness to help the workers of these states in their own struggle for power, with arms and military intervention if necessary. In the savage civil war that was unfolding across the length and breadth of the former Tsarist Empire they also made it clear that they would take any necessary military actions against those newly independent bourgeois states that aided the counter revolution against the Russian workers' state.

In autumn 1917, Finland seemed as much on the verge of a proletarian revolution as Russia itself. In the 1916 elections to the Sejm (parliament), the Social Democrats won 103 seats out of two hundred—an absolute majority. They immediately legislated for the eight hour day and other social reforms.

After the February revolution the Finnish bourgeoisie had formed an alliance with Kerensky against the workers' parties majority in the Sejm. Kerensky obligingly ordered its forcible dissolution and new elections. Despite the fact that the Social Democrats won even more votes they narrowly

lost their parliamentary majority.[20]

On 18 December 1917 Lenin was obliged to accord unconditional recognition to Finland's bourgeois government. In January 1918 the working class took power in all the major towns and cities. A "workers' government" subject to a central workers' council was formed by the Social Democrats and immediately recognised by the Bolsheviks. But the Social Democratic leaders rejected the idea that this workers' government should establish the dictatorship of the proletariat.

They proclaimed that they wanted "a parliamentary democracy in which the proletariat was the leading class". In fact they frittered away time in drawing up an ultra democratic parliamentary constitution for a Finnish Peoples' Republic. Meanwhile in the north, Mannnerheim, a former general in the Russian army, was rallying and organising an army of White Guards, officer cadets and Swedish volunteers to drown the workers' government in blood.

A bloody civil war ensued ending in the triumph of the White Terror. Thousands of workers were killed in street fighting, in pitched battles and by firing squad. Victor Serge estimates that 100,000 workers, almost a quarter of the proletariat, were killed or received long prison sentences in horrific concentration camps. What occurred was nothing less than the "total extermination of the advanced and conscious elements of the proletariat". [21]

Rosa Luxemburg thought that this terrible catastrophe proved that the Bolsheviks had been terribly wrong to recognise the independence of Finland, that the defeat suffered by the Finns was a product of the "addled egg" of self-determination out of which crept the German bayonets. Looking at the border regions from Finland in the north to the Caucasus in the south she drew the conclusion:

"One after another these 'nations' used the freshly granted freedom to ally themselves with German imperialism against the Russian Revolution as its mortal enemy and under German protection to carry the banner of counter revolution into Russia itself."[22]

Luxemburg's conclusion was that all this demonstrated the "petit bourgeois utopian character" of the slogan and that "in the midst of the crude realities of class society and when class antagonisms are sharpened to the uttermost it is simply converted into a means of bourgeois class rule."[23] The Bolsheviks, in her view, had broken the united phalanx of the working class and handed over the proletariats of the border states to counter revolution. Instead, they should have defended, "tooth and nail the integrity of the Russian Empire as an area of revolution, opposing to all forms of separatism the solidarity and inseparability of the proletarians of all lands within the sphere of the Russian Revolution as the highest command of politics."[24]

Several times Lenin had bracketed Ukraine, with Poland and Finland, as nations that could and must be allowed to secede if they so wished it. This view was vigorously opposed by those Bolsheviks in Russia influenced by Rosa Luxemburg on the national question and by many Bolsheviks from the Russophone eastern Ukraine.



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They tended to deny the very existence of a Ukrainian nation. Yet Lenin's recognition of the national identity of the Ukrainians showed his prescience, his ability to foresee events because he understood the line of development, rather than simply taking his bearings from a snaphot of existing conditions.

It is certainly true that in the early years of the twentieth century Ukraine had a much less developed national movement than Poland or Finland. A modern historian of Ukraine has commented:

"On the eve of the first world war and the revolution, Ukrainians were a people who had not yet developed a crystallised national consciousness and whose emergence to the stature of statehood seemed like a distant goal"[25].

The problem that the Ukrainian nationalists faced was that in Ukraine the majority of the modern classes, the proletariat, the merchants and factory owners, were not Ukrainian speakers. Indeed, "the characteristic feature of towns in the Ukraine was that with a few exceptions they were Russian and Jewish in national composition and in their *Weltanshauung*."[26]

In the 1897 census Ukrainians constituted less than one third of the urban population and 93% of them were registered as belonging to the peasant estate. Moreover, with all state education, from school to university, being conducted in Russian, the development of a Ukrainian press, literature and intelligentsia was stunted if not blocked altogether.

It was therefore scarcely surprising that Rosa Luxemburg was at her most polemically ferocious when it came to attacking Lenin's recognition of Ukraine's right to self-determination. In her assessment of the Russian Revolution, written in 1918, she wrote:

"Ukrainian nationalism in Russia was something quite different from, let us say, Czech, Polish or Finnish nationalism, in that the former was a mere whim, a folly of a few dozen petit bourgeois intellectuals without the slightest roots in the economic, political or psychological relationships of the

country; it was without any historical tradition, since the Ukraine never formed a nation or government, was without any national culture, except for the reactionary-romantic poems of Shevchenko. It is exactly as if one fine day the people living in the *Wasserkante* should want to found a new Low German (*Plattdeutsche*) nation and government! And this ridiculous pose of a few university professors and students was inflated into a political nightmare by Lenin and his comrades through their doctrinaire agitation concerning the 'right of nations to self-determination'."[27]

Lenin, in contrast, understood the unevenness of economic and social development in the Tsarist Empire. He realised that some areas were still passing through the stage of development *towards* capitalism even if the cities of the empire were carrying through the socialist revolution.

He was acutely conscious of the development of national identity as the means through which the peasant masses entered the modern world and absorbed bourgeois culture, a huge step forward from medieval and clerical backwardness. For this reason Lenin never took a hostile, or indifferent, attitude to the nationalism of an oppressed people, no matter how weak or primitive its social development was.

As a Great Russian he considered such attitudes to be a shocking concession to great nation chauvinism. He never failed to stigmatise the "left" position as objective opportunism, whatever the good intentions of its supporters. Given the Polish landlord's historic role in oppressing the Ukrainian peasantry such an attitude from Rosa Luxemburg deserved Lenin's strictures.

The isolation of the Ukrainian nationalist intellectuals from the mass of the Ukrainian people was in large part due to the Tsarist police dictatorship. The arrival of, first bourgeois, and then workers' democracy, precisely allowed a rapid development of the Ukrainian language, culture and nationalism. This spread well beyond the circles of the intelligentsia.

Revolutionaries are unwise to celebrate indifference to nationalism by a cruelly oppressed people as a sign of *internationalism*. It will be a weak and sickly internationalism that grows on the soil "prepared" by national oppression, discrimination and general cultural impoverishment. Should revolutionary internationalists have the opportunity to rouse the masses from political slumber they have the imperative duty to take up the issue of national oppression, without themselves becoming nationalists. If they do not, then sooner or later nationalists will sweep them aside.

Events in Ukraine were determined *objectively* by its strategic importance both in the closing phase of the imperialist war and the three years of the Russian Civil War. They were determined *subjectively* not only by the weakness of Ukrainian petit bourgeois nationalism, but also by the conflicts within the Bolshevik ranks on how to handle the national question there.

A Ukrainian assembly—the National Rada (council)—was formed in Kiev soon after the February revolution. This Rada was dominated by petit bourgeois nationalists and semi-Marxist intellectuals like Mikhail Hrushevsky and Vladimir Vinnichenko. Over the next few months it grew into an (unelected) national assembly of some 600 members. They



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had previously set as their goal not independence but a federal relationship with the rest of Russia.

In July the Rada, exasperated with the prevarication of Kerensky, finally set up an administration in Ukraine with the aid of the adventurer Simon Petlyura. On 19 November the Rada proclaimed a Ukrainian Peoples' Republic but still without availing itself of the right to secede which the Bolsheviks proclaimed in the Declaration of the Rights of the Peoples of Russia.

Lenin's immediate reaction was to emphasise the need to accord the Ukraine the right to secede or to federate with the Soviet Republic:

"We now see a national movement in the Ukraine and we say that we stand unconditionally for the Ukrainian people's complete and unlimited freedom. We have to wipe out that old bloodstained and dirty past when the Russia of the capitalist oppressors acted as the executioner of other peoples. We are determined to wipe out that past, and leave no trace of it (stormy applause). We are going to tell the Ukrainians that as Ukrainians they can go ahead and arrange their life as they see fit. But we are going to stretch out a fraternal hand to the Ukrainian workers and tell them that together with them we are going to fight against their bourgeoisie and ours. Only a socialist alliance of the working peoples of all countries can remove all ground for national persecution and strife."[28]

The petit bourgeois nationalists who dominated the Rada rapidly became hostile to the growth of soviets in the Ukraine and their attempts to establish their own power. The Rada refused outright to recognise this soviet power. In addition, counter revolutionary armies led by Kornilov and Kaledin were beginning to use Ukrainian territory to launch war against the Russian government. The Rada did nothing to stop this and actually took actions to disarm the Red guards and revolutionary regiments trying to combat Kaledin.

The Soviet Government replied with a declaration, drafted by Lenin on 17 December 1917, which combined

recognition of Ukrainian independence with a threat to declare war unless the Rada stopped its hostile military actions and its repression of the Ukrainian soviets:
". . . the Socialist government of Russia . . . reaffirms that the right to self-determination belongs to all nations oppressed by Tsarism and the Great Russian bourgeoisie, up to and including the right of these nations to secede from Russia. Accordingly we, the Council of Peoples' Commissars, recognise the People's Ukrainian Republic, and its right to secede from Russia or enter into a treaty with the Russian Republic on federal or similar relations between them. We, the Council of People's Commissars, recognise at once, unconditionally and without reservations everything that pertains to the Ukrainian people's national rights and national independence. We have not taken a single step, in the sense of restricting the Finnish people's national rights or national independence, against the bourgeois Finnish Republic, which still remains bourgeois, nor shall we take any steps restricting the national independence of any nation which had been—or desires to be—part of the Russian Republic."[29]

But events within Ukraine were moving to a denouement between the Rada and the Ukrainian Bolsheviks. Though an uneasy peace had followed the December Russian ultimatum on 29 January 1918 the Rada finally proclaimed secession.

At the Brest-Litovsk negotiations with German imperialism Rada's negotiators sided openly with the Germans making a play for their assistance. Meanwhile in Ukraine, the Bolsheviks, led by Yurii Pyatakov, had set up a Soviet government in Kharkov, the capital of the industrialised and heavily Russified eastern Ukraine. Red troops advanced on Kiev. Because they proclaimed the slogans of "land to the peasants" and "the factories to the workers" they were enthusiastically received, even in Kiev.

But the rule of the Ukrainian Soviet government was to last a mere three weeks. The Brest negotiations broke down and the Germans resumed the offensive. The old Tsarist army had dissolved, almost completely, between October and February but the new Red Army had yet to be constructed. Thus the Soviet forces were swept backwards as quickly as they had advanced.

The cynical German High Command, once it had conquered Ukraine under the legal cover of the Rada, at once threw it aside like a squeezed orange. It set up an openly White Guardist government under Hetman Skorapadsky. In November 1918 when the German war effort finally collapsed so did this government. Briefly, the Rada returned, this time under French imperialist sponsorship.

Again the Bolsheviks, under Pyatakov, seized power with a general strike in eastern Ukraine. Between the end of November and February 1919 the Bolshevik forces fought their way westward. Rada forces in retreat carried out horrific pogroms against the Jewish population. Again the Red Army was received enthusiastically.

The next two years however were ones of brutal civil war. Denikin's Whites, the "Russian Volunteer army", the Red Army, Nestor Makhno's forces, peasant "Greens" as well as Petlyura's Rada, now backed by the Polish government of Pilsudski, all fought over Ukraine. Not until August 1921 did the last anti-Bolshevik forces leave Ukraine.

Thus the brutal facts of the Civil War revealed that the Ukrainian petit bourgeois nationalists could only hold onto power either with the aid of the German or the French imperialists. Vinnichenko himself accurately pinpointed their weakness. It was "to develop in the mind of the masses a conflict between the national and the social idea."[30]

In short if the Ukrainian peasant masses were forced to choose between the land and Ukrainian culture they unhesitatingly chose the former.

Nevertheless, in conditions of Civil War, when the surrounding states were being used as bases by the White armies and the imperialists to attack the workers' state, the Bolsheviks simply had to put the victory against these forces above the formal self-determination of some of these regimes. Ukraine became the theatre of war between White Guardists, Ukrainian Nationalists and the anarchist "social bandit" Makhno. The eventual outcome was that after many reversals Ukraine eventually fell to the Red Army and a regime of soviets took the power once again, this time permanently.

The weakness of the Ukrainian nationalists encouraged a section of the Bolsheviks in Ukraine to neglect, and even denigrate the national question. It required a persistent effort by Lenin and Trotsky at the centre to correct this line. Pyatakov, a key figure during these years, maintained his hostility to self-determination.

Pyatakov was at this time a Left Communist, along with Bukharin, violently opposed to the Brest Peace and determined to carry on revolutionary war come what may. In August 1918, against Moscow's advice, he called for a Ukraine-wide uprising against Skoropadsky that ended in complete disaster.

Moscow intervention in 1918/1919 produced a change of leadership with Christian Rakovsky sent in to head the government. Rakovsky at first also underestimated the national question, thinking that Ukraine was no nation and its national movement a mere invention of the intelligentsia. Thus he proclaimed a policy of "linguistic Russification" and in addition he pursued a leftist agrarian policy that alienated the middle peasants. Thus Rakovsky added to Pyatakov's mistakes.

Lenin in Moscow and Trotsky as the commander of the Red Army were obliged to correct matters. During these years the revolution was fighting for its life and the masses of Ukraine were not first and foremost concerned with the question of national independence.

In this context it was possible, even necessary, to temporarily subordinate the whole question of self-determination to winning the war. But as the Bolshevik forces gained the upper hand it became necessary to re-assert a correct stance with regard to the Ukrainian masses' national feelings.

When the Red Army re-entered Ukraine in November 1919 Trotsky issued strict orders to the troops: "The Ukraine is the land of the Ukrainian workers and working peasants. They alone have the right to rule in Ukraine, to

govern it and to build a new life in it. Keep this firmly in mind; your task is not to conquer the Ukraine but to liberate it. When Denikin's bands have been smashed, the working people of the liberated Ukraine will themselves decide on what terms they are to live with Soviet Russia. We are all sure that, and we know that the working people of the Ukraine will declare for the closest fraternal union with us. . . Long live the free and independent Soviet Ukraine."[31]

With Lenin's aid the Bolshevik leaders set out to adopt a more sensitive and principled strategy on the national question in Ukraine. The importance of using the Ukrainian language and respecting its culture was stressed. This helped to win over the Borotbists—a split from the Ukrainian Left-Socialist Revolutionaries—to the Ukrainian Communist Party.

Winning them was important because, unlike the Ukrainian Bolsheviks, they had deep roots amongst the peasantry. They were adamantly in favour of an independent Ukraine. In conditions of civil war Lenin, correctly, would not concede a division of the state forces facing a multiplicity of White Guard armies and foreign interventionists.

But Lenin made the Borotbists the promise that a constituent Soviet assembly would decide the future of Ukraine, for total independence or against, once the Civil War was won. Sadly, the acute post-war crisis of 1921—the Kronstad revolt and the peasant uprisings against War Communism, the crisis in the Bolshevik party as a whole that led to the banning of factions, and then the rapid growth of bureaucracy—all combined to bury this promise.

In the middle of the Civil War the Bolsheviks, at their eighth Congress, returned to debating the programme draft. In March 1919 they finally adopted it and after the Congress Bukharin and Preobrazhensky were authorised to produce a commentary on it which was entitled the *ABC of Communism*. At the eighth RCP(B) Congress Lenin confronted Bukharin once more on the question which had divided them since 1915. Now Bukharin was trying to turn Lenin's flank by talking about the right to self-determination of the working people alone.

Of course, workers and peasants made up the vast majority of any nation and therefore Lenin like the other Bolsheviks had often said that only if these majority classes of the nation are genuinely and democratically consulted can revolutionaries recognise the true self-determination of the people. But he rejected the idea that a *pre-condition* should be attached to self-determination; that *only* these classes could decide.

Lenin considered this yet another example of Bukharin's failure to understand how the recognition of self-determination was precisely designed to hasten an as yet far from complete class differentiation between the possessing classes within the given nation—bourgeoisie, petty bourgeoisie, gentry—and the exploited classes. Thus a prior class differentiation could not be a condition for recognising self-determination. He used his rebuttal of Bukharin to explain and defend the Bolsheviks' whole approach since 1917:

"I have to say the same thing about the national question. Here too the wish is father to the thought with comrade Bukharin. He says that we must not recognise the right of nations to self-determination. A nation means the bourgeoisie together with the proletariat. And are we the proletarians, to recognise the right to self-determination of the despised bourgeoisie? That is absolutely incompatible! Pardon me it is compatible with what actually exists. If you eliminate this, the result will be sheer fantasy. You refer to the process of differentiation that is taking place within the nations, the process of separation of the proletariat from the bourgeoisie. But let us see how this process of differentiation will proceed.

To reject the self determination of nations and insert the self-determination of the working people would be absolutely wrong, because this manner of settling the question does not reckon with the difficulties, with the zig-zag course taken by the differentiation within nations.

As long as the bourgeoisie or the petit bourgeoisie, or even part of the German workers are under the influence of this bugbear—'the Bolsheviks want to establish their system by force'—so long will the formula 'the self-determination of the working people' not help matters.

Our programme must not speak of the self-determination of the working people, because that would be wrong. It must speak of what actually exists. Since nations are at different stages on the road from medievalism to bourgeois democracy and from bourgeois democracy to proletarian democracy, this thesis of our programme is absolutely correct. With us there have been very many zigzags on this road. Every nation must obtain the right to self-determination, and that will make the self-determination of the working people easier. In Finland the process of separation of the proletariat from the bourgeoisie is remarkably clear, forceful and deep. At any rate things will not proceed there as they do in our country. If we were to declare that we do not recognise any Finnish nation, but only the working people, that would be sheer nonsense. We cannot refuse to recognise what actually exists; it will compel us to recognise it."[32]

At the eighth Congress of the RCP(B) Lenin applied exactly the same method to Poland. As elsewhere in 1917, the Bolsheviks had immediately recognised the independence of Poland. But in 1920 they were to make a tactical mistake that cost them dearly. As the founder of the Red Army, Trotsky did not underestimate the revolutionary role of the army of a workers' state. Yet it was he in particular who urged restraint during the Red Army's advance on Warsaw in the summer of 1920.

This time it was Lenin, eager to break through Poland, to a Germany seething with revolution, who underestimated the national feelings of the Poles. Trotsky was proved right. The Poles, workers as well as peasants, feared the Red Army, seeing it as yet another army of their Russian oppressors. They did not rise in rebellion against their internal class enemies.

There were other examples where the Bolsheviks, or the Red Army, did intervene militarily in states or republics and overthrew their bourgeois or feudal reactionary governments.



When the imperialists were threatening to occupy a strategic national territory to facilitate their attack on the workers' state or when the internal counter-revolution was using independence as a pretext to seize and prepare a drill ground for civil war, intervention proved necessary. Georgia was such case.

Georgia—a predominantly peasant country lacking a modern industrial proletariat—was dominated by the Mensheviks, who had said little or nothing about Georgian independence under the Tsar or under Kerensky. But the October Revolution converted them overnight into fierce Georgian nationalists.

At the end of the Russian Civil War in early 1920, the Georgian Bolshevik Sergo Orjonikidze wired Lenin that "we will be in Tiflis by 15 May". This drew a sharp order forbidding any such attempt and, moreover, an instruction to grant immediate recognition of the Menshevik government and Georgian independence.

The Menshevik government, nevertheless, began to negotiate with the imperialists for their troops to enter Georgia to "protect" it. In December 1920 the Armenian nationalists (the Dashnaks), who had been fighting a losing battle with Mustapha Kemal's army, accepted Soviet protection, declared a soviet Armenian republic and federation with Soviet Azerbaijan and Russia. Georgia was thus surrounded by Soviet territory. Orjonikidze began to bombard Moscow for requests to intervene but was repeatedly instructed to maintain correct relations with Tiflis.

Early in February 1921 Orjonikidze proposed the immediate forcible sovietization of Georgia by the Red Army. Trotsky, opposing this, "stood for a certain preparatory period of work inside Georgia, in order to develop the uprising and then come to its aid."[33] Lenin expressed concern at both the unpreparedness of Georgia for soviet rule and the complications it might lead to with Kemalist Turkey. He also complained of the lack of serious information forwarded to Moscow.

Nevertheless, Orjonikidze, in collusion with Stalin in Moscow, went ahead with organising minor uprisings and clashes in the border district. When an insurrection actually broke out on 14 February the Politburo reluctantly agreed to send in the Red Army to assist it. Trotsky was absent and not consulted. He later commented that "detachments of the Red Army invaded Georgia upon Stalin's orders and had confronted us with a fait accompli."[34]

In essence the project was a pure Stalin-Orjonikidze one. They saw no reason to await the political maturation of the Georgian workers and poor peasants nor did they have the slightest sensitivities to the national feelings of their fellow countrymen. On 25 February the Menshevik government fled Tiflis and three weeks later abandoned Georgian territory altogether.

Whilst the popularity of the Menshevik regime was certainly waning due to its unsatisfactory solution of the land question, and a turn to the Bolsheviks by workers, soldiers and poor peasants was noted by independent observers, the two Georgian Bolsheviks, had little concern for or patience with the idea of aiding the maturing of a revolutionary situation within Georgia. Once carried out, Lenin and Trotsky had to defend the action and roundly denounced the complaints of the Mensheviks and the Second International.

But Lenin's real concerns are clear in his telegram to the victorious Bolshevik forces. As well as demanding that Orjonikidze "immediately arm the workers and the poorest peasants, creating a strong Georgian Red Army" and saying that, "essential is a policy of concessions to the Georgian intelligentsia and small traders", he went on to stress that it was "gigantically important to search for an acceptable compromise for a block with Zhordania and similar Georgian Mensheviks, those who before the uprising had not been absolutely hostile to the idea of a Soviet order in Georgia under certain conditions."[35]

This proposal proved unrealisable because Zhordania had fled the country, and because the Mensheviks, in reality, preferred an alliance with French imperialism to one with the Bolsheviks.

Trotsky defended the actions of the Bolsheviks in the immediate aftermath. But he formulated his defence in terms of the principles it is necessary to use, principles which, he was later to admit, Stalin and Ordjonikidze did not adhere to in the least:

"A workers' state, in recognising the right of self-determination, thereby recognises that revolutionary coercion is not an all-powerful historical factor. Soviet Russia does not by any means intend to make its military power take the place of the revolutionary efforts of the proletariats of other countries. The conquest of power must be the outcome of proletarian political experience. This does not mean that the revolutionary efforts of the workers of Georgia or of any other country, must not receive any military support from outside. It is only essential that this support should come at a moment when the need for it has been created by the political development of the workers, and recognised by the class-conscious revolutionary vanguard, who have won the sympathy of the majority of the workers. These are questions of revolutionary strategy, and not of formal democratic ritual."[36]

As Lenin recognised, Central Asia and Siberia constituted the colonial possessions of Tsarism and the Russian imperialist bourgeoisie. From the 1890s onwards the government encouraged a massive colonisation drive into the steppes. Nomadic or semi-nomadic peoples, like the Kazakhs, the Kalmyks and the Bashkirs, found their best grazing lands occupied by Russian peasants and guarded by Cossack troops. A serious Kazakh rebellion against this had occurred in 1916.

Despite the backwardness of these nomadic peoples the Bolsheviks pledged themselves to recognise their self-determination too. The *ABC of Communism* (the official commentary on the Russian Communist Party's programme) poses the problem thus:

"What is to happen to nations which not only have no proletariat, but have not even a bourgeoisie, or if they have it, have it only in an immature form? Consider, for example the Tunguses, the Kalmucks, or the Buryats, who inhabit Russian territory. What is to be done if these nations demand separation from the great civilised nations? Still more, what is to be done if they wish to secede from nations which have realised socialism? Surely to permit such secessions would be to strengthen barbarism at the expense of civilisation? The proletariat, having no desire to plunder the colonies, can procure from them by exchange of goods such raw materials as are required, and can leave to the natives of backward lands the right to arrange their own internal affairs as they please. The Communist Party, therefore, wishing to put an end forever to all forms of national oppression and national inequality, voices the demand for the national right of self-determination."[37]

Initially, at least in the more settled regions of Central Asia, the Bolsheviks allied themselves wherever possible with the nationalist intelligentsia, with reformers and modernisers. Many of these were petit-bourgeois or even bourgeois, some were reforming Islamists, others influenced by pan-Turkic or pan-Mongolian ideologies. Central Asia and Siberia, like Ukraine, were drawn into the Civil War.

Thus there were many large scale and rapid manoeuvres by Red and White forces on the open steppe and consequent changeovers of control which gave little time for consulting the desires of the nationalities. The "soviets" which the Red Army set up were more formal than real.

Worse, they were often dominated by the Russian colonists who remained at war with the native peoples. Bolshevik decrees forbade the continuation of settlement and the seizure of pasture land but it was difficult to undo past injustices and in the later 1920s and 1930s "colonisation" began again.

Likewise with the "national" republics and autonomous regions. They were set up, federated and even dissolved with a rapidity that betokened their shallow social and national roots. This is not surprising given that most of the peoples, the ethno-linguistic groups of Eastern Russia and Central Asia, had not yet reached the stage of mass national consciousness. There were some exceptions however.

The Tatars of the lower Volga had a mercantile bourgeoisie and this leadership rapidly proved hostile to the Bolsheviks. This led to various interventions, re-ordering from above of autonomous regions and republics with other minority peoples (e.g. the Bashkirs) to "control" the Tatars. Stalin's Commissariat of Nationalities used these administrative measures to promote those ethnic groups which were most malleable.

A similar fragmentation policy was used against the Mongol peoples of the Chinese borderlands. This left a legacy of mistrust between the larger peoples, like the Tatars, something made worse by the repression of later decades.

In south Central Asia the settled populations of Khiva, Bokhara and Turkestan presented another problem, the influence of pan-Turkic "nationalism" and the hold of Islam. The landowners and the mullahs formed a possessing class bitterly hostile to communism. Yet Russian settlement meant that in a number of cities soviets existed and indeed seized power. This led in mid-1918 to the foundation of a Turkestan Autonomous Soviet Socialist Republic.

But these local Bolshevik regimes too were rooted almost exclusively in the Russian urban settler population. Finally, it was the Red Army which overthrew the Khans and the Amirs of the Central Asian states. This "forced sovietisation"[38] was, whatever its justification in terms of the Civil War, no guide for Marxists in formulating a revolutionary policy for nationalities, even amongst backward peoples.

Prior to October, Lenin, following Marx and Engels, advocated a unitary and centralised state:

"Marxists, are of course, opposed to federation and decentralisation, for the simple reason that capitalism requires for its development the largest and most centralised possible states. Other conditions being equal, the class conscious proletariat will always stand for the larger state . . . But while and insofar as different nations constitute a single state, Marxists will never under any circumstances, advocate either the federal principle or decentralisation . . . It would, however be inexcusable to forget that we advocate exclusively *democratic* centralism . . . Far from precluding local self-government, with *autonomy* for regions having special economic and social conditions, a distinct national composition of the population, and so forth, democratic centralism necessarily demands both . . . The autonomous Diets, on the basis of the general laws of the country, should deal with questions of purely local, regional or national significance."[39]

Yet after the Bolshevik regime was in power, in January 1918, it proclaimed "a federation of Soviet republics founded upon the principle of a free union of the peoples of Russia". In July 1918 the first Constitution proclaimed Russia a federation. The workers and peasants wherever they held power could, through their soviet organisations, declare their adhesion to it.

However, the conditions of a long and bloody civil war, which ebbed and flowed over the vast territories of the former Tsarist Empire, were not those best suited to realising the ideals of voluntary federation or voluntary separation. Independent states formed by local elites, oscillated between the Whites and the Reds, fearing the former for their Great Russian chauvinism and imperialism and the latter because of their social radicalism.

The Treaty of Union of 1922 was adopted as the result of a bitter battle between Lenin and Stalin over the national question. At first Stalin simply wished all the non-Russian republics, Ukraine, a new Caucasian Federation as well as the soviet republics of Central Asia, to adhere to the Russian Federation as merely autonomous republics. This meant the loss of a large degree of "independence".

Up to now these states were bound to the federation by formally equal treaties. This "autonomisation project" was bitterly opposed especially by the Ukrainian and Georgian leaders. It was also firmly rejected by Lenin. He proposed instead a new federation of equal republics, with a government and congress of Soviets separate to and superior to that of the Russian Federation.

Whilst Stalin formally conceded to Lenin's plan, calling the new body the Union of Soviet Socialist Republics, the content was essentially the same. Lenin, virtually on his deathbed, launched another struggle. His words should warn Marxists how far from being a revolutionary model was the work of the Commissariat of Nationalities under Stalin (1917-24): "Before the workers of Russia, I am terribly guilty of not having devoted sufficient energy to the famous question of 'autonomisation', officially called the Union Of Soviet Socialist Republics".
Lenin believed that the project of the USSR treaty reduced "the freedom to leave the Union, which is our justification, to a mere scrap of paper."[40]

Lenin sought to protect the delicate alliance with the nationalities by fighting Great Russian bullying and bureaucracy. His struggle, alas, was unsuccessful. The twelfth Congress of the RCP(B), in April 1923, discussed the national question once more in the wake of the Georgian incident and in relation to the continuing discussion on the Union and the constitution.

Christian Rakovsky, then chairman of the Ukrainian Council of Peoples' Commissars, attacked the growing bureaucratism of the party apparatus and linked it to the centralising bullying attitude of Stalin on the question of the second tier of the All Union Soviet, that of the nationalities.

Stalin was determined that the Russian Federation would have an overwhelming majority of the votes, on this body. Ukraine was to have four votes while Russia would have between 64 and 70.

Rakovsky attacked the central bureaucracy saying that, "particularly on the national question our party comrades are guided not by a proletarian party psychology but by what you might call, to put it mildly, a narrow executive bureaucratic psychology . . . Naturally, it's tiresome to administer twenty republics, how convenient it would be if the whole lot were unified and you only had to press one button to administer the whole country . . . we must take away nine tenths of the power of the All-Union Commissariats and hand them over to the national republics."[41]

The USSR's 1924 Constitution was one of the first fruits of the Thermidorian reaction. Indeed the Thermidorians around Stalin (Dzerzhinsky, Orjonikidze) cut their teeth in the fight against "national liberalism".

The future Left-Oppositionist, Christian Rakovsky, was fully engaged in this struggle but Trotsky failed to take up Lenin's cause as he had been requested to do. Stalin's policy on the national question was to deny in practice all political independence, utilising the centralised bureaucracy of the party to completely dominate the republics and autonomous regions. Any opponents were purged, accused of nationalist deviations.

Yet at the same time Stalin adopted a policy of cultural nation-building, *korenizatsiia* (nativization). In many of its formal goals it took up Lenin's concern to correct the results of the Civil War phase when Great Russian Bolsheviks took over wherever the Red Army was victorious. To the indigenous population this looked like the triumph once again of the Russian colonisers:

"Nativisation" involved the promotion of the local languages to become languages of state and administration, literacy campaigns, the development of new written languages from one or more dialects, the stimulation of art and popular culture.

At the same time a process of filling the upper echelons of the republican parties with the titular nationals rather than with Great Russians was a feature of the whole 1920s. In themselves most of these measures were very progressive though they were accompanied by a positive nation building ethos that was alien to Lenin.

Under conditions of increasing appointment from the central bureaucracy and political repression (including the breaking up of republics such as Turkestan and the combining of others) these policies amounted to an ironic fulfilment of the Austro-Marxist programme of national-cultural autonomy. As a policy it encouraged the development of (certain) national entities. Indeed, it created them in some cases. At the same time it negated the right to political self-government let alone the right to secede. This failed to remove the sense of national restriction of rights and ultimately of oppression.

The manoeuvrings, re-definings, splitting and unifying of nations "from above" was to inflame national grievances especially when from the mid-1930s to the mid-1950s a wave of furious Great Russian chauvinism was unleashed. Last but not least there was the suppression of real proletarian internationalism as a positive ideal that could only have been possible on the basis of soviet democracy. Thus Stalin's policy could never hope to resolve the national question.

The above policy lasted until 1933-34 and was, in essence, the national policy of the Soviet Thermidor (the period of the consolidation of Stalin's power). Thereafter, a new harsher policy was imposed, that of Soviet Bonapartism. It was a policy of outright national oppression which returned the USSR to the status of a "prison house of nations".

The cutting edge of the new policy "the battle against nationalism" was felt first and most harshly in Ukraine. It was initiated as early as 1930 with show trials against Ukrainian "nationalists". Ukrainian nationalism became the "main threat", the "spearhead of capitalist restoration". In 1933/4 a massive purge removed most of the Ukrainian party leadership re-

placing them with Moscow bureaucrats. This policy spread rapidly to the other republics and nationalities. In Tadjhikistan the entire leadership was removed. The new national intelligentsia created by the previous policy was persecuted and scattered.

A glorification of Great Russian culture and history thinly, disguised as Soviet patriotism, triumphed. The Great Russian people were proclaimed the "elder brother and guide" of the other peoples.

The nomadic populations of Central Asia were forcibly settled, which led to the revival of guerrilla war, and to a population loss of 20% amongst the Kazakhs, the most numerous nomadic people, with over one million households in the 1920s. Kazakhstan was settled with Russian and Ukrainian people (often deported "kulaks", that is those who resisted forced collectivisation).

The Great Purges of 1936-38 meant a further intensification of national oppression. "Trotskyite-nationalists" figure in large number amongst the victims. The purges eliminated the greater part of the "Stalinist" elite built up after 1923, including the party leadership and the cultural intelligentsia built up throughout the period of *korenizatsiia.*

It was a cultural genocide perpetrated against the peoples "awakened" to national life by Stalin's earlier policies. These crimes were to weigh heavily in the balance against the workers' state after 1988, providing a powerful propaganda weapon for nationalist restorationists. With such an explosive charge of brutal national oppression built into its foundations it is no surprise that the national question was one of the key factors in blowing up the USSR.

Indeed, it was the Stalinist-nationalist government of Ukraine which refused to sign the new union treaty of Gorbachev and thus precipitated not merely his downfall but the dissolution of the USSR itself.

Only early and unconditional recognition of the right to secede advocated by a conscious proletarian revolutionary vanguard, could have challenged the nationalists for the leadership of the workers of the non-Russian peoples, thus exposing the nationalist restorationists.

Once the mass movements for complete separation came into existence then it became vital to adopt Trotsky's slogan of independent soviet (workers' council) republics as well as the slogan of a free and voluntary federation after this had been achieved. ●

NOTES

1 L Trotsky, *The History of the Russian Revolution*, London, 1972, Vol 3 p62
2 In *Trotskyist International* No 12 we reviewed the debate in the Second International, in the years before 1914, which pitted Lenin against Otto Bauer and Rosa Luxemburg.
3 N Bukharin, *Imperialism and World Economy*, London, 1972, pp73/74 Bukharin's methodological error can be summed up in the statement that he "extrapolated tendencies of development in the world economy to such an extent that he often lost sight of contradictory lines of development altogether." "Revolutionary theory and imperialism". K Hassell, *Permanent Revolution* No 8 Spring 1989 p37.
4 Closely linked to them was the Dutch communist Anton Pannekoek, who in a 1912 work, *The Class struggle and the Nation*, had written an attack on the right of nations to self-determination as opportunist.
5 K Radek, "Theses on the Right of Nations to Self-Determination" in *Lenin's Struggle for a Revolutionary International*, New York, 1984, p362
6 ibid, pp363-4
7 V I Lenin, "Reply to P Kievsky" ibid, p369.
8 V I Lenin, "Right of Nations to Self-Determination" in *Questions of National Policy and Self-Determination* , Moscow 1970, p97
9 L. Trotsky, "Nation and Economy", in *Lenin's Struggle for a Revolutionary International*, op cit, p371.
10 ibid
11 L Trotsky, *The War and the International*, London, 1971
12 L. Trotsky, "Nation and Economy", op cit
13 ibid.
14 K Radek, "The Song is played out", in *Lenin's Struggle for a Revolutionary International*, op cit, pp 374-375
15 V I Lenin "The Discussion on Self-Determination Summed Up" *Questions of National Policy and Self Determination* , Moscow, 1970, p159
16 ibid
17 L Trotsky, "Lessons of the Events in Dublin", in *Lenin's Struggle for a Revolutionary International*, op cit, p373
18 V I Lenin "The Discussion on Self-Determination Summed Up", op cit.
19 Excluding the Grand Duchy of Finland.
20 The chronic constitutionalism and parliamentary cretinism of the Finnish Social Democrats was now revealed. Otto Kuusinen, later to become one of the luminaries of the Stalinised Comintern and then a prominent leader of the Social Democracy summed up their attitude. "Wishing not to risk our democratic conquests, and hoping to manoeuvre around this turning point of history by our parliamentary skill, we decided to evade the revolution. We did not believe in the revolution; we reposed no hope in it; we had no wish for it." Quoted in Victor Serge *Year One of the Russian Revolution*, London 1972 p184
21 ibid, p191
22 R Luxemburg,*Rosa Luxemburg Speaks* New York, 1970, p380
23 ibid
24 ibid, p382.
25 Bohdan Krawchenko, *Social Change and National Consciousness in Twentieth Century Ukraine*, Oxford, 1985 p1
26 ibid, p5
27 R Luxemburg, "The Russian Revolution" in *Rosa Luxemburg Speaks*, op cit, pp382-3
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29 V I Lenin "Manifesto to the Ukrainian People with an Ultimatum to the Ukrainian RADA", *CW* vol 26 p361
30 Quoted in E H Carr, *The Bolshevik Revolution* Harmondsworth, 1966, Vol 1 p310
31 Cited in Z Kowalewski, "For the Independence of Soviet Ukraine" in *International Marxist Review* Vol4 no2 p 96
32 V I Lenin, "Report on the Party Programme to the Eighth Congress of the RCP(B)", 19 March 1919, *CW* vol29 pp170-175
33 L Trotsky, *Stalin*, London 1969 Vol 2 p170
34 ibid
35 R G Sury, *The Making of the Georgian Nation*, London, 1959, p211
36 L Trotsky; *Social Democracy and the Wars of Intervention in Russia 1918-1921 (Between Red and White)* , London, 1975 p94
37 N Bukharin and E Preobrazhensky, *The ABC of Communism* Harmondsworth, pp249-50
38 This is the term used by EH Carr.
39 V I Lenin; "Critical Remarks on the National Question" (1913) *CW*, Vol 36, Moscow, pp45-47
40 V I Lenin, *CW* Vol36 p605
41 C Rakovsky, "Speech to the Twelfth Party Congress", in *Selected Writings on Opposition in the USSR, 1923-30* London, 1980,pp82-84

Ukraine: Breaking up is hard to do

Two years after it declared its independence from the USSR the Ukraine is faced with secessionist moves from the Crimea and the Eastern Ukraine. Peter Main reviews this development against the background of the country's troubled transition to capitalism.

Unlike Russia, or her other central and East European neighbours, Ukraine has not suffered the shock treatment of "big bang" capitalist restoration. Under the former Communist Party ideology boss, Leonid Kravchuk, economic policy has tended far more towards the maintenance of subsidies and continued state ownership of both industry and agriculture.

Radio Free Europe recently lamented that, in Ukraine, the government had "effectively viewed economic transformation as something of a tertiary priority, ranked below the imperatives of national security and the construction of a viable state."[1]

None of this, however, means that Kravchuk and his cronies are in any sense defenders of the planned economy, much less supporters of socialist progress. As we argued even before the dramatic changes of 1989-90:

"Not all the restorationist tendencies in the bureaucracy are necessarily liberalisers. Equally, not all the most authoritarian conservatives are committed to the defence of bureaucratically controlled planned property relations."[2]

What we have in Ukraine is a bureaucracy that is just as aware of the crisis of its rule as any other but one in which the dominant element, the state and party apparatchiks, have sought to maintain their political power by accommodating to a powerful nationalist movement. In doing this, they have opened potential conflicts with the managerial strata of the "military-industrial complex" to whom they have had to make important economic concessions.

Simultaneously, these concessions have angered the more pro-market wing of the nationalist movement and their international, imperialist backers. Further problems have been created by growing tensions with the Russian Federation centring on economic relations and the fate of a very large Russian speaking minority within Ukraine and Russian majority within the Crimea.

As the bureaucracy zigs and zags in its efforts to contain these conflicting interests it entangles itself still further in contradictions which now threaten to tear the country apart.

Although Ukraine was the birthplace of Slavic civilisation, its modern history has been one of division and foreign domination. During the twentieth century, different regions have been variously annexed, conquered or incorporated by the Austro-Hungarian Empire, Poland, Czechoslovakia, Romania, Germany and, of course, the Soviet Union.

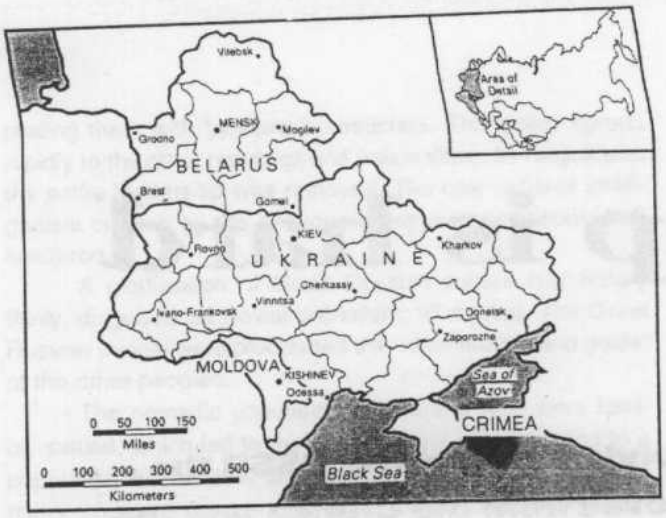
Ukrainian national consciousness has its origins amongst the urban intelligentsia of those regions of Ukraine (e.g. Galicia) which were within the Austro-Hungarian Empire prior to 1918. Paradoxically, it was the creation of a Ukrainian republic within the USSR which first began to generalise this nationalist consciousness amongst the predominantly rural population. The development of a relatively autonomous Ukraine was immediately seen by the Stalin clique as a potential threat to their power.

The crimes of Stalin against the Ukrainian people were many and bloody: the imposition of Russification in 1930; the millions who died in the enforced famine of 1932-3; the annexation of Galicia in 1939; the formation and later suppression of the Ukrainian Insurgent Army after 1943. This experience has imparted a particularly right wing content to Ukrainian nationalism.

Destalinisation, under Khruschev, did initially bring some relaxation to Ukraine, as to the rest of the Soviet Union. But this was accompanied by new laws, for example in education, which further promoted Russification and led to the virtual removal of the Ukrainian language from public life in the East and South of the country.

Within this context, the trappings of formal political independence, which included not only Ukrainian government institutions but also a seat at the UN, kept alive a national consciousness. Under the relatively mild political regime of Petro Shelest (1963-1972) this was not allowed to flourish but neither was it subject to wholesale repression. The net effect, ultimately, was to strengthen nationalism, most particularly in the Western regions of the country in which ethnic Ukrainians form an overwhelming majority.

In 1973, Moscow removed Shelest and replaced him by Volodymyr Scherbytskyi, a characteristic figure of the Brezhnev period, who oversaw a wave of repression against all dissident elements. As in the rest of the Soviet Union, however, the apparent stability of this period masked a steady decline in the economic well-being of the country. Industries which had been established by the first Five Year Plans, symbolised by the coal mines of the Donbas, were reaching



the end of their productive lives. Without rejuvenation through the introduction of new technology these industries burdened the economy as a whole. Such a situation was bound, in the end, to undermine even the most rigid of political regimes.

It was a combination of domestic and external factors that was to bring about the downfall of Scherbytskyi in September 1989. Domestically, the desperate and fundamentally absurd attempt to suppress news of the Chernobyl disaster, in 1986, accurately expressed the utter bankruptcy of Stalinism in Ukraine. This cover-up attempt stood in contrast to the emergence of glasnost and perestroika in Gorbachev's Soviet Union.

Gorbachev's political liberalisation ensured the growth of opposition even in Ukraine. Returning political prisoners founded the Ukrainian Helsinki Union in April 1988 and the following year the Popular Movement of Ukraine for Perestroika, better known simply as Rukh (Ukrainian for "movement") was established.

As the name implies, its members, who were largely drawn from the intelligentsia, adopted a strategy of supporting Gorbachev in order to weaken Scherbytskyi. Although Rukh's public programme recognised the "leading role of the party" and all the other "socialist" requirements of the constitution, like many of the reform movements of Eastern Europe, it was a coalition of groups rather than a homogenous political party and the main unifying factor was nationalism.

The timing of Scherbytskyi's downfall, in September 1989, was more a function of the power struggles in the Soviet bureaucracy than a direct result of opposition within Ukraine. In effect, it was of a piece with Gorbachev's refusal to sanction repression of the opposition movements in Eastern Europe in the aftermath of the Beijing massacre. At the same time, the almost immediate collapse of the East European regimes before a tidal wave of popular mobilisation, clearly dynamised the forces within Rukh in Ukraine.

Although it was bureaucratically prevented from standing in the March 1990 elections to the Supreme Council (Ukraine's republican parliament) the impact of Rukh, and the fear in which it was held by the regime, was immediately apparent when the Communist Party itself included "republican sovereignty" in its election programme.

As in the rest of the Soviet Union, all candidates had to be approved by the Party and this resulted in only 15% of those who stood being non-Party members. Nonetheless, the results gave 25% of seats (a total of 125 MPs) to a loose opposition group called the Democratic Bloc which renamed itself the, "People's Council".

This reflected the inability of Party candidates to win, even though unopposed, in many areas. In Galicia, 43 of the 47 seats were won by the opposition, in Kiev, the capital, 16 out of 22. The shape of future political alignments was foreshadowed by the much smaller votes for the opposition in the more industrialised and Russophone Eastern (40 out of 122) and Southern (14 out of 56) regions.

Scherbytskyi's successor, Volodymyr Ivashko, further underlined the growing strength of the nationalist opposition by giving it members on the parliamentary Presidium which exercises parliament's powers when it is not in session. At the same time, the fact that less than 50% of MPs (239) signed up with the "hard line" communist grouping behind Moroz and Hurenko, leaving some 130 ostensibly unaligned, showed that the bureaucratic bloc was already beginning to fracture.

The direction in which the unaligned were gravitating was soon revealed by the 355 to 4 vote in favour of the Declaration of Ukrainian State Sovereignty in July 1990 which stated that Ukrainian law took precedence over Union law and also legitimised the issue of a Ukrainian currency and the formation of Ukrainian armed forces.

At first, this declaration appeared to have only limited significance. Ukraine swung towards a more authoritarian regime, in keeping with the rest of the Soviet Union, during the winter of 1990-91. Ivashko was replaced by two leaders of the hardline Group of 239, Hurenko and Kravchuk, with the latter becoming the Chairman of parliament and, consequently, the President of the Presidium.

Appearances proved to be deceptive and the unity of the hardliners more fragile than expected. The confrontation between Soviet troops and demonstrators in the Baltic states in January 1991, and the subsequent retreat by the Kremlin, convinced Kravchuk that there was to be no going back and that survival necessitated throwing in his lot with the nationalists or, rather, stealing their clothes.

Kravchuk made the decisive move by hijacking Gorbachev's referendum on the future of the Soviet Union in March 1991, adding to it the question whether Ukraine should be part of the Union, "on the basis of the Declaration of State Sovereignty of Ukraine". When this received an 80.2% yes, to Gorbachev's 70.5%, Kravchuk was able to present the result as a mandate for independence. His "national communists" now formed a parliamentary majority with the "People's Council" and proceeded to pass a series of laws establishing independent Ukrainian state institutions.

The defeat of the August 1991 coup in Moscow provided the opportunity to make the final break and independence was declared on 24 August. This move objectively strengthened the position of Yeltsin, the Russian President, as against that of Gorbachev, the President of the Soviet Union. The underlying significance of Kravchuk's move, however, could be seen in the way that the parliamentary majority, although it now outlawed the Communist Party, opposed expelling its members from state and economic institutions. This ensured that, all name changes notwithstanding, Ukraine continued to be ruled by the same bureaucracy through the same institutions.

All state institutions, including press and broadcasting, now fell in behind Kravchuk when he announced a referendum to ratify independence on 1 December—and added an election for President to be held at the same time. He won both, but the ease with which the old state machinery had reoriented itself led to a split within the nationalist camp. Viacheslav Chornovil, one of the first leaders of Rukh, represented a minority in its leadership whose anti-communism outweighed their nationalism but he had broad support amongst the rank and file.[3] He was second in the Presidential election getting 23% of the vote to Kravchuk's 62%.

Paradoxically, Kravchuk's increasingly anti-Russian rhetoric, generated both conservative and liberal reactions; in October 1991, Oleksandr Moroz founded the "Socialist Party of Ukraine" with 38 MP's and a platform committed to maintaining central planning. After the referendum, a section of the more market-oriented members of the "People's Council" formed "New Ukraine" on a platform of economic liberalisation but continued cooperation with Russia.

Such realignments as these, in the aftermath of the definitive break-up of the Soviet Union and its replacement by the Commonwealth of Independent States (CIS) in December 1991, pointed to the increasing pre-eminence of economic issues such as subsidies and price reform over the more political ones of sovereignty and independence.

As an important element of the centrally planned Soviet economy, Ukraine was already suffering from the consequences of the increasingly frequent dislocations of supplies and the general disintegration of planning mechanisms caused by the conflicts between Moscow and the component regions and republics of the Union.

The IMF calculates that Ukrainian Net Material Production (NMP) fell by 3.4% in 1990 and a further 9.6% in 1991. The implications of a complete break with the rest of the former Soviet economy, primarily, of course, with Russia, can be judged from the fact that Ukraine accounted for 23.5% of total Soviet coal production, 34.1% of steel, 44.5% of iron ore, 23.6% of machine tools, 35.8% of TV's and 23.3% of footwear and, at the same time, imported 42% of its energy from the Union.[4]

Obviously, whatever the rhetoric, Ukraine could not afford to sever all links with her former partners and the reality of the continuing relationship was soon brought home when she had to follow the introduction of Russia's "big bang" price increases with similar increases of her own in January 1992. Without such increases, goods would rapidly have flowed out of Ukraine and over the border. Yet, whereas in Russia, Gaidar's price rises were linked to other measures in some semblance of an economic policy, in Ukraine they were solely a defensive reaction.

As a counterweight to the ensuing rapid rise in the cost of living and, once again, dressing himself in nationalist clothes, Kravchuk introduced a system of Ukrainian "monetary coupons" as the means of exchange for wages and shopping, whilst continuing to use the Ruble for accounting and international payments. As in other degenerate workers' states, the central bank used its control of currency issue to maintain subsidies to state industry. A side effect of this in Ukraine was the creation of an extra source of money supply within Russia itself as Ukrainian enterprises continued to trade with their traditional suppliers and consumers across the border.

In October 1992, the Russian government announced that it would no longer allow trade with the other former republics on this basis and that they would have to choose between accepting the monetary policy of the Russian central bank or leaving the Ruble zone altogether. Ukraine chose to leave, established the Karbovanets and rapid inflation ensued The real rate of inflation in Ukraine can be judged from the rise in the price of a standard basket of food which was K3,150 in December 1992 and K48,130 by June 1993.[5]

Kravchuk's attempts to maintain a balancing act between the bureaucracy from which he himself originates and the nationalist opposition, which he both fears and manipulates, is nowhere more clearly evident than in the twists and turns of his overall economic strategy. Having established independence and now anxious to attract IMF funds, he sanctioned the introduction, in March 1992, of laws that would pave the way for foreign investments, the right of foreigners to buy property via privatisation of state assets and the right to lease land. To offset nationalist opposition to these measures, a voucher-based privatisation scheme was also announced. In this, vouchers were to be given free to all citizens and these could then be used to buy shares in state property. However, in order to placate both workers and management who feared the consequences of wholesale privatisation, a limit of 40% private ownership of any enterprise was placed on this scheme, the remainder staying in state ownership for sale at a later, unspecified, date.

The predictable result of this plan was that, although there was a rise in unemployment because of dislocation from traditional suppliers and purchasers, virtually no "restructuring" of industry was achieved and, as in Russia itself, industrial managers and workforces made common cause to defend their antiquated enterprises. Quite apart from the consequences of this for the economy, its



political significance is a function, largely, of the ethnic composition of the different regions of Ukraine.

The eastern regions of the country have only 34% of the population but account for 45% of total industrial production. As well as being relatively more industrialised than the west, and, therefore, accustomed to a higher standard of living, this part of the country has a majority of Russian speakers, 60% in the south and 56% in the east. Not surprisingly, it is in these regions that support has been growing for autonomy and even separation and for maintaining economic integration with Russia.

To placate such forces, Kravchuk sacked the market-oriented Deputy Prime Minister and Minister of Economics, Volodymyr Lanovyi, in July 1992 and replaced him by Valentyn Symonenko, a representative of the most conservative wing of the bureaucracy. This did not resolve the problem which was rooted in a three-way power struggle between Kravchuk, the conservatives and the increasingly market-oriented nationalists represented by Chernovil.

In September, the parliament effectively removed the government of Kravchuk's preferred Prime Minister, Vitold Fokin, and replaced him by Leonid Kuchma. Kuchma represented a compromise between the demands of the pro-market New Ukraine and the more conservative forces of heavy industry and this ensured a continued paralysis.

The continuing ability of the "conservative" forces to stymie and render ineffective any reforms that might have resulted in serious moves towards restoration can be seen from the history of credit supply in the first eighteen months of independence. The possibility of identifying potentially profitable industrial plant is hampered by the mountains of debt inherited from the past. To cut the Gordian knot, reformers proposed a seemingly simple accounting device; since all the debt was, in the final analysis, owed by one part of the state to another part of the same state, the problem could be resolved, at a stroke of the pen, by simply writing it all off the books.

The net effect, for the state, would be zero but a fresh start could be made in analysing the relative efficiency of the different enterprises. A fresh start was, indeed, made, but not quite in the manner intended. Relieved of outstanding debts, the state banks simply extended even more credits to enterprises that had no hope whatsoever of repaying them. Four times the government has attempted this policy and four times its intention has been completely subverted. Credit supply in 1992 actually increased twenty-six fold!

Relations with Russia worsened during 1993. As part of the assertion of independence, Ukraine claimed, in addition to the nuclear weaponry stationed on her territory, ownership of the naval facilities at Sevastapol in the Crimea and the Black Sea Fleet. This immediately became a source of friction with Russia, not just because of the material and strategic importance of the warships but as a symbol taken up by the respective nationalist movements in both countries.

Amid attempts to administer different oaths of loyalty within the Fleet, Yeltsin played his trump card—a threat to cease all deliveries of oil and gas to Ukraine if the dispute was not settled and an agreement reached over Ukraine's Ruble debts to Russia. Under this pressure, Kravchuk was obliged to negotiate on Yeltsin's terms at the Massandra Summit in September 1993. This appeared to result in an agreement to hand over both the Fleet and Sevastopol to Russia in exchange for cancellation of the debt. However, Kravchuk promptly denied this when he arrived back in Ukraine to a mounting nationalist storm over his betrayal of the "national interest."

This protest also undermined plans to exchange the nuclear warheads for nuclear fuel to keep Ukraine's atomic power industry in operation. This January's tripartite deal between Ukraine, Russia and the USA, in which the warheads will be dismantled in exchange for foreign aid and investment, may resolve that particular problem, but that is very far from guaranteed.

Even if it does, the rise of Zhirinovsky in Russia has already had a noticeable affect in swinging Yeltsin towards a belligerent advocacy of the rights of Russians in the non-Russian republics and this has stoked up more conflicts within Ukraine. Coupled with the economic consequences of dwindling trade with Russia, it has strengthened demands for autonomy, even separation and re-integration into Russia, in the Russophone eastern and southern parts of the country.

This sentiment is especially strong in the Crimea. The unique historical background and ethnic composition of the Crimea have combined to add particular weight to its separatist movement. Over two-thirds of the population is ethnically Russian and of the ethnically Ukrainian population, approximately a half are Russian speaking.

Because of its location, the Crimea has always been a favoured place for retirement of the Soviet elite and its sanatoria and holiday resorts attracted Russian settlers. The economy of the region, which prospered on this basis of tourism and provision of leisure facilities as well as the services and industry related to the Black Sea Fleet based at Sevastopol, has been wrecked by the collapse of the Soviet Union. In January 1991, the leader of the Crimean regional council, Nikolai Bagrov organised a referendum on Crimean Autonomy in which 80% of the population participated, giving overwhelming support (93%) to the establishment of an Autonomous Republic within Ukraine.

In the aftermath of the August 1991 failed coup, the Bagrov leadership of Crimea, which had supported the coup, moved to protect its own position by declaring Crimean sovereignty in September and establishing Crimea's own state institutions. It also openly backed the Republican Movement of the Crimea, led by Iurii Meshkov, which favours the repeal of the 1954 Kremlin decision to "give" the Crimea to Ukraine and advocates the region's reintegration into Russia.

Apart from the fears of economic decline which fuel separatism in the Crimea as in other regions of Ukraine, Meshkov has played up the anti-Tatar sentiments of the post-war Russian settlers. Since the Tatars began returning to the Crimea in 1990, their claims for compensation and return of lost lands and property (which they forfeited when Stalin forcibly deported the whole population as allegedly pro-German) have been seen as a threat by all those who, in many respects, replaced them.

The formation of the Milli Majlis, the Supreme Tatar Assembly, and its declaration that only Crimean Tatars had the right of self-determination within the territory of Crimea,

has reinforced Meshkov's anti-Tatar rhetoric. It has also created an ally within the Crimea for the Ukrainian nationalist right.

The steadily worsening economic situation, together with the ethnic rivalries that are being stoked up by reactionaries on all sides, resulted in Meshkov's eventual victory in the Crimean Presidential elections at the beginning of February. The Ukrainian constitution does not recognise the existence of a Crimean President. Meshkov's has proposed a referendum on independence from the Ukraine. A further confrontation between the Crimea and Ukraine is inevitable.

The difference this time is that Yeltsin will be manoeuvring to restore his Russian nationalist credentials against Zhirinovsky whilst Kravchuk will hope to offset his recent concessions on nuclear weapons by forcing Crimea to back down. Since Crimea's water and other supplies have to pass through Ukrainian territory this is a distinct possibility, but it would carry with it the threat both of Russian retaliation and hostilities within Ukraine itself from separatists in the eastern region.

Whether or not it originates in the Crimea, the prospect of massive social conflict, possibly even involving the Russian state, is becoming ever more likely in Ukraine. There is no prospect of a Czechoslovak-style intra-bureaucratic deal for the peaceable division of Ukraine. The populations are too intermixed and a nationalist "West Ukraine" would find itself not only confronted by an eastern neighbour that would probably reintegrate into the CIS/Russian Federation but also demands on its territory from, for example, Romania and Moldova.

Any division of the country, therefore, would be bound to involve the creation of oppressed minorities and open up the prospect of forced population transfers and the consequent involvement of neighbouring states. The break up of Yugoslavia testifies to what a nightmare that would be.

Such a gruesome scenario is far from the least likely one. Given that neither of the separatist leaderships of the main ethnic groups, Ukrainian and Russian, have any means of achieving a respite in the economic deterioration, both can be expected to try to buttress their positions by ever more chauvinist attacks and appeals. Equally, Kravchuk's main aim, securing the continued domination of the state-bureaucratic "national communists", will continually lead him to make concessions to one side or the other, raising both hope and anger as he manoeuvres.

The only social force that has an objective need and the material means to preserve Ukraine as a multi-ethnic state is the working class—above all the industrial working class. The former quite distinct division of the population between Russian-speaking urban industrial workers and Ukrainian-speaking peasants and agricultural workers has been considerably blurred by industrial development since the Second World War. Whilst it is true that the Donbas is disproportionately more industrialised than other regions, the greater part of Ukrainian industry does lie in the rest of the country as does the country's great potential for agricultural development.[6]

The obstacle to the working class asserting its fundamental material interest in the preservation of a multi-ethnic republic, therefore, lies primarily in the character and politics of its existing leadership. That a distinct working class movement exists is not in doubt.



THE BLACK SEA FLEET

Before the collapse of the Soviet Union, Donbas miners were to the fore in the creation of the all-Union Independent Miners' Union whose strikes rocked the entire USSR. Its successor organisation is the Independent Miners of Ukraine which took the lead in the wave of strikes in the summer of last year when price controls were removed from essential food items.

Its political colouration, however, can be judged from the fact that its leader, Boldyrev, was a founder of the "Inter" movement in Ukraine. As in other republics of the USSR, this was seen as closely linked to the KGB and a vehicle for creating Russian speaking working class support for the maintenance of the Union. More recently it has aligned itself with the Civic Congress which is based amongst the management strata of heavy industry and, broadly speaking, supports a policy of maintaining state support for industry and re-integration into the economy of the CIS.

Also significant in this respect is the Labour Party of Ukraine which was founded in December 1992 and draws its support from industrial managers and enterprise directors. Nicknamed "The Party of Red Directors", its longer term aim is the restoration of capitalism in a statist form. In the short term it also supports continuing subsidies for failing factories and, as with similar parties elsewhere in the former Soviet Union and also in Eastern Europe, has been able to attract working class support on this basis. It was reportedly involved in the encouragement of the June strikes and is sufficiently influential to have had two of its leaders appointed as Deputy PM's by Kravchuk.

The precise weight and orientation of the state-run trade unions is difficult to assess. They remain numerically far larger than the independent unions but this must, in part, result from their continuing role in the provision of such facilities as housing, holidays and sickness benefit which necessarily tie workers to maintaining their membership. At the present time, it is to be expected that they too would be collaborating with enterprise managements to resist the effects of dislocation and shortages.

Revolutionaries naturally support all demands to maintain jobs and the provision of housing and even food via the state enterprises. But it is essential that workers fight to establish organisations which are politically and organisationally independent of all remnants of past bureaucratic tyranny.

The directors, managers and state apparatchiks who today pose as the defenders of workers' immediate interests are only biding their time until they, or the most determined among them, can see a way either to transform themselves into capitalists or to offer their services to a local or foreign capitalist class.

At the heart of a revolutionary programme for the working class of Ukraine must lie the demands for workers' control, workers' inspection and workers' veto. These must be imposed on the distribution of supplies, the opening of enterprise accounts, the investigation of past decisions of managements, the maintenance of order and the share-out of both work and products.

The ongoing payment of subsidies from the central bank at best allows factories in what is left of the planned economy to tick over, regulated only by the continuing obligation to supply traditional markets and to receive goods from traditional suppliers. This cannot go on for much longer. Having no conscious direction, enterprise after enterprise will grind to a halt as supplies run out.

The re-animation of this economy can only proceed by restoring the centralising hub from which the economic spokes radiate outwards. The workers of one plant, or even industry, can and must re-establish links to the plants with which they have traded in the past.

But the economy as a whole is more than the sum of its parts and as a whole it can only be renewed from the centre. Here too, workers' control, in the form of an emergency plan authorised and enforced by workers' own organisations is the revolutionary answer to the catastrophe that threatens the entire country.

The imposition of a workers' answer to the crisis will meet the violent resistance of both their bureaucratic and capitalist enemies. To combat this, the working class has to arm itself not only physically, in the form of militia, but also politically. The ethnic and national divisions that their enemies will seek to exacerbate must be overcome by a consistent policy of recognition of the democratic rights of all national minorities, including the right of self-determination. Even the right of Crimea and eastern Ukraine to separate must be defended, although revolutionaries should not themselves propose such a self-defeating measure.

In eastern Ukraine, for example, the original "Ukrainianisation" measures introduced after independence, which removed the official status of Russian, must be repealed and equal status for both languages must be established and made a reality.

The practical benefits of re-establishing links with the Russian Federation are immediately obvious but could be negated by any dislocation from the rest of Ukraine. Similarly, in the Crimea, the working class will best defend its unity by assuring the Russian majority of their right to secede if they wish, whilst arguing that such a step would be much less advantageous than revolutionary unity with the rest of Ukraine's workers.

An emergency plan could rouse the workers of Ukraine to a recognition of their overwhelmingly common interests. It could ensure the short term supply of agricultural products, fuel and other basic essentials. But it could not, even in the short term, re-establish secure and adequate living standards. The shortest route to that lies in the establishment of the international economic links that can provide Ukraine with both supplies and markets.

Here too, workers' control at both national and enterprise level is necessary. Although the re-establishment of links with workers and industries in the CIS is an obvious first step, many of the economies of central and Eastern Europe are also staggering under the impact of either restoration or bureaucratic paralysis and need the revitalisation that international exchange alone can bring them.

For the Ukrainian working class to take control of its country by revolutionary methods, will require more than just a general recognition of the need to re-establish the economy. There is a burning need for a centralised political party, rooted in the workers' own organisations.

Without it the fears of the national minorities will either be dismissed or oppressed workers will embrace national chauvinism. Without it there will be no leadership that can advance the workers' cause by forming the necessary practical alliances without sacrificing their essential interests. Without it, it will prove difficult for workers to support struggles for democratic rights without, thereby, aiding the agents of capitalist restoration.

Such a party will not grow spontaneously even out of struggles on the scale that we can expect to see in the coming year in Ukraine. It can only be built by an intervention into those struggles by revolutionaries who have themselves been won to the programme of political revolution. Bringing together those small forces is the first step and the highest priority for all revolutionaries in Ukraine today. ●

NOTES

1 B.Slay, "Post Communist Economic Transition", *Radio Free Europe*, (RFE)1.10.93

2 See *The Trotskyist Manifesto*, London, 1989, p91

3 Chornovil's relatively successful campaign created divisions within Rukh which led, in August 1992 to the creation of the Congress of National Democratic Forces, led by Mykhailo Horyn on a platform of critical support for Kravchuk. Chornovil retained the Rukh organisation, now committed to a more anti-communist, pro-capitalist programme.

4 These statistics are from, I Jeffries, *Socialist Economies in Transition*, London, 1993, p105

5 See, Johnson and Ustenko, "Ukraine Slips into Hyperinflation", in *RFE*,25.6.93

6 See, A.Wilson, "Challenge of Donbas to Kiev", *RFE* 20.8.93 The Donbas, which consists of the two oblasts of Donetsk and Luhansk, only accounts for 9% of Ukrainian territory but has 17% of the population and 21% of industrial production.

Farewell to welfare in Europe?

Rising unemployment, high labour costs, low productivity and groaning budget deficits. European capitalism is in a mess. To get out of it, as Mark Harrison explains, all governments have launched an unprecedented attack on welfare provision.

The European Community became the European Union (EU) last year. The name change did not change the fortunes of the member states. All are in the grip of recessions or, in the case of a few, shallow and fragile recoveries.

Celebrations to welcome the final ratification of the Maastricht Treaty, following the slow and often tortuous routes that many members states had taken to reach this point, were muted. After all, one of the cornerstones of the Treaty, the Exchange Rate mechanism (ERM), had effectively collapsed prior to ratification.

A mood of gloom pervaded the boardrooms throughout Europe, matched by one of frantic despair in the Brussels' bureaucracy's offices. European unity had taken one step forward, and about ten backwards in the first year of the Single Market.

Germany and France, the key countries pushing European integration forward in the late 1980s, are amongst the worst hit by the current recession. Germany has never experienced anything like its current economic difficulties since the 1940s. Unemployment stands at 4.03 million, with another 400,000 jobs expected to go this year. This is merely the official figure. Real unemployment, including those on workfare schemes, stands above 6 million. Its inflation rate of 3.5% is above the European average.

A poll of 25,000 German enterprises taken last autumn revealed a unanimous belief that things were going to get worse. Franz Schoser, the Chief Executive of the German Chamber of Trade and Industry (DIHT) flatly contradicted Chancellor Kohl's election year pledge of restoring economic growth to around one per cent in 1994 (after a fall of 1.3% in 1993) arguing:

> "There is still no sign of recovery in the [western] sector. The frosty investment climate has grown more severe."[1]

Another commentator painted a grim picture of 1994:

> "A post-war record level of unemployment, above average rate of inflation, a weakening currency, a soaring budget deficit, falling order books, the highest unit labour costs in the world, increasing transfers of production abroad, and, now, the prospect of a double-dip recession after the worst downturn for nearly 50 years. This is not Britain of recent memory, but a picture of Germany in 1994."[2]

France, under the right-wing leadership of Edouard Balladur, is faring little better. For the first time since 1975 the country's GDP fell by 0.7%. Unemployment has risen steadily to 3.3 million (12%), leaping by a quarter of a million in the first period of Balladur's reign. Again this is an official figure, underestimating the real level of unemployment. Like Germany, it is encountering its most severe recession of the post-war period. And it is not alone. Italy, with unemployment at 11%, is finding that membership of the EU is no protection from recession.

The recession has prompted the European bosses to look at their US and Japanese rivals with both fear and envy. They are fearful that they will not be able to compete in the global market with these two rival blocs. While both the US and Japan suffered from the world recession they have recovered more quickly than Europe.

Underlying their ability to do this was the lower labour costs they face. In Europe labour costs are growing faster than anywhere else in the world. Lower costs are crucial in rendering the US and Japan more competitive. They can get more produced at cheaper costs.

The reason the European bosses are envious is that the root of the lower labour costs in the USA and Japan is the considerably less generous welfare systems that operate in those two countries. The lesson is clear. Europe's welfare system is dragging down European capitalism in its race to compete with its major rivals.

In addition to increased labour costs the welfare state in Europe (which differs in form from country to country, but which broadly embodies the principle of universal welfare) is a massive drain on state finances. The Maastricht Treaty stipulated that there should be economic convergence of the member states by 1996.

Without such convergence all talk of a single currency and real economic integration was worthless. The recession has played havoc with this goal. Germany, the workshop of Europe, the driving force behind integration and the economy that appeared likely to gain most from a real European Union, is seeing its dream fade before its eyes. Kohl, who is closely identified with Maastricht, is growing cooler by the day on the creation of a real Union. His party, the Christian Democrats, have dropped the call for a United States of

Europe from their election manifesto. As the *Economist* noted:

> "European integration—of which Mr Kohl expected so much—has taken a terrible three years' buffeting from the tragedy of Yugoslavia, recession across Europe and seizures of the exchange rate mechanism."[3]

But while these factors have dampened enthusiasm for a fully fledged unity they have actually intensified the scramble for convergence in some important respects. The recession is an impetus for the austerity and privatisation drives that will enable the member states to reach convergence on their level of budget deficits relative to their GDPs.

Maastricht calls for a reduction of all budget deficits to 3% of GDP. For some this will prove impossible. For all member states it will prove difficult. Currently the average budget deficit for EU states is 7%, having risen from an average of 3% in 1989. In Germany the deficit in 1993 totalled DM160 billion. This is the highest level since the second world war. Cutting deficits is a priority for all governments. And this means attacking the entire welfare system in Europe.

In the aftermath of the second world war capitalism, entering a period of long boom, feared the working class. To counter the potential influence of communism on the working class it sponsored the recreation of Social Democratic parties and it espoused a form of welfarism that appeared to protect workers from the horrors and insecurities of unemployment and poverty that had blighted their lives in the 1930s. Pensions, unemployment benefits and health care were all to be provided as a means of pacifying the working class. This suited the needs of expanding capitalism.

By various means (taxes, national insurance schemes, company insurance schemes—the system differs in different countries) it was able to get employers and workers to contribute to the social fund. From this fund it was able to create a welfare state. Put simply, capitalism could afford this concession.

And in return it got a healthy and educated workforce which felt itself to be relatively secure and therefore less prone to adopt the radical anti-capitalist ideologies that had attracted mass support in the 1920s and 1930s. Of course the treachery of Stalinism and the weakness of Trotskyism were important factors in enabling the capitalists to get away with establishing the post-war welfare consensus. But the material base was the expanding economy.

The 1980s and 1990s have undermined this consensus. Economic crisis has brought with it mass unemployment once again. A healthier population has meant that more and more people survive to enjoy their pensions. And profits, from which social subsidies could be exacted, have been severely squeezed.

Public expenditure has consequently grown at the same time as economies have shrunk. The gap has widened. From being an affordable concession welfare has become an unbearable drain for the capitalists. Everywhere they are looking to attack the welfare state in order to claw back from the working class the gains won in the post-war period. Dennis Snower, an economist in London, candidly explained:

> "The system was suited for the economic conditions of the 1950s and 1960s. It reduced uncertainty and helped the economy thrive. But now is a different ball game, and we are locked into a system that no longer fits our needs."[4]

Well, universal education, health care, benefits and pensions do fit many people's needs (albeit inadequately). But the "we" that Mr Snower is referring to is the handful of capitalists who run Europe. Their needs clearly are at odds with any universal welfare system. Germany illustrates this. Its welfare system is based on a social insurance fund that bosses and workers pay into.

Currently, this amounts to nearly 40% of gross pay. It covers holiday payments, health care, unemployment benefit and pensions. During Germany's boom years this system was workable. It meant high unit labour costs, but the skill and efficiency of German workers ensured that profits were kept high. German industry could remain competitive with such costs. Today it cannot.

In part this is a result of unification and the addition of new claimants from the East. But this is only part of the story. The recession and the decline in German industry's competitive edge as against the USA and Japan, whose labour costs (and welfare systems) are considerably less, has resulted in high unemployment. With unemployment benefit fixed at high levels (based on the wage you received when you were working) the strain on the social fund has become enormous. Social insurance costs have increased from 26.5% of the gross wage to today's level of nearly 40%. In the car firm, Daimler-Benz, the costs are estimated at 80% of the total labour costs.

And even this cannot cover the cost of unemployment. The government has been plunged into debt to make up the difference between companies' social funds and the increased costs of unemployment. Social spending soared from DM744 billion in 1990, to DM1001 billion (£397 billion) in 1992.

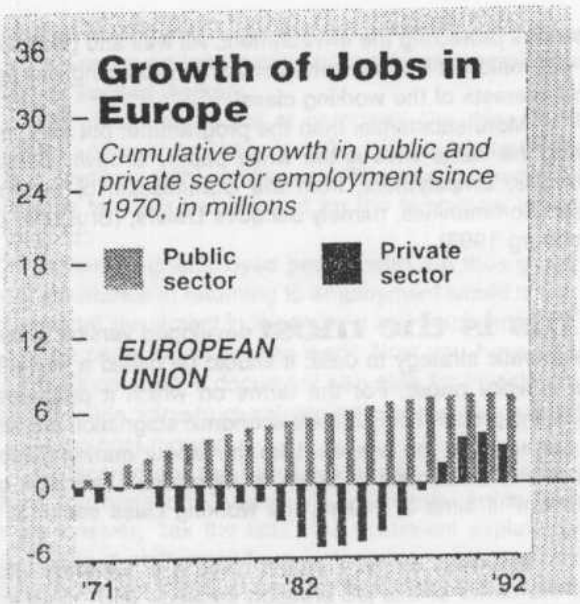
Germany is not alone in facing such a squeeze. In Britain high structural unemployment has produced a government that was determined to cut the welfare state increasing the budget deficit to today's £50 billion, with a rise of 28% in benefit costs in the last three years alone. Last year France's deficit was FFr317 billion. Though it was cut by Balladur's austerity measures the growth in unemployment continues to act as a drain on the economy.

Recession and unemployment are the vital factors concentrating the minds of Europe's businessmen and finance ministers. But their plans are also affected by the so called "demographic time-bomb" of an ageing population. The cost of state pensions is set to rise to levels that the capitalists believe cannot be afforded.

According to the World Bank, by 2025 the major industrial countries will move from a situation where there are three to seven workers per pensioner to one where there are two workers per pensioner (160 million people over 65).

Far from welcoming the advance in civilisation that this elongation of the life span represents, the bosses are horrified. For they only view the problem in cash terms. And in cash terms this means that the economy of every OECD country would have to grow by 1.5% every year merely to cover pension costs. Such uninterrupted growth is impossible. What is more, if it all went on paying for pensions it would guarantee recession after recession since it would deprive industry of investments.

For many years social democrats throughout Europe pointed to Sweden as the model welfare state. Here was a country that combined capitalist competitiveness with



welfare generosity. Today, faced with the reality of recession and an ageing population, the Swedish model so beloved of the reformists, is falling apart before their eyes. A recent survey of the country revealed:

> "Unemployment was about 1.5% less than a decade ago; it is now 9% with about 4% on Workfare. The banks are in a shambles, the building industry in a slump. The budget deficit this year is put at an alarming 14% of GDP, which itself fell by almost 2% in both 1991 and 1992, and 4% in the first half of this year. Public sector jobs are being cut; next year the aim is to eliminate 80,000 of them. Housing subsidies are being slimmed; sickness benefit has been reduced from 100% of the lost salary to 80%; fees for medicines have been increased; local government spending is more or less capped; and voucher schemes are being introduced for schools and child-care services. Old-age pensions will start to be paid at 67 rather than 65, and a new unemployment scheme is planned, to be backed by the government only when the jobless rate goes above 4-5%."[5]

And more is to come. Prime minister, Carl Bildt of the right wing Moderate Party, is planning further cuts in a bid to deconstruct the Swedish Model altogether. One of his policy advisers promised to introduce the market into all areas of the public sector:

> "The problem is a question of national competitiveness. How do you have overall conditions that enhance growth and productivity? We have a long way to go before we have an efficient service sector."[6]

Sweden has become a new model, a model for how to set about attacking the welfare state. And the governments of the EU are looking to follow Sweden in their bid to slash budget deficits and increase competitiveness.

Britain, under the Tories, had started its destruction of welfarism before Sweden, and is continuing to cut back welfare spending through the introduction of the market into the health service, through compulsory workfare type schemes to cut benefits and through a remorseless attack on local government spending.

Germany is planning to cut the dole from 58% of gross pay to 55% and stop it altogether after four years unemployment. It is aiming to cut its social spending budget by DM45 billion between now and 1996. In addition it is cutting holidays, reducing the costs of holiday pay and abolishing "bad weather" payments—wages paid to building workers on days when the weather is too bad for them to work.

France has increased taxes and contributions to its unemployment insurance scheme, Unedic, squeezing FFr6 billion from workers and FFr4 billion from the unemployed themselves, as against only FFr9.35 billion from the bosses. The new health minister, Simone Veil, is cutting health spending by FFr30 billion, abolishing whole areas of treatment deemed "unnecessary" and targeting 60,000 of the country's 500,000 hospital beds for elimination.

To deal with the "demographic time bomb", the EU countries are tampering with the right to retire. In France the retirement age has not been raised, but you have to have worked for 40 years instead of 37.5 to qualify for a pension. In Germany the state secretary of the economics ministry, Johann Eekhoff, is looking at ways of extending working lives and eliminating early retirement.

In both Germany and Italy the retirement age is to be raised to 65. In Britain women are to be deprived of the right to retire at 60 and state pensions, currently 15% of average earnings, are to be cut to 7% of average earnings over the next 30 years.

And everywhere governments are mounting pressure to force people onto private pension schemes. One report concluded:

> "As short term budget strains and long term demographic pressures grow, governments are increasingly finding inaction is not an option. Whether by choice or force of circumstance, a shift from state to private pensions is probably inevitable."[7]

The scale of these attacks is unprecedented in post war Europe. While they do not yet signal the end of the welfare state system, they do signal a move in that direction. They undermine the principle of universal welfare and the right to benefits and pensions.

They weaken the ability of the health services to provide free care at the point of need. And by doing this they create the conditions in which more drastic measures, which will dismantle the welfare state, can be introduced. And this is what the thinkers in the capitalist class are after. They are not happy with what they see as adjustments in welfare spending. They want cuts that count. As one OECD economist put it:

> "There's been a lot of tinkering at the margin. But I can't think of a single major spending programme that has been stopped."[8]

The essence of the change that the bosses are clamouring for is to transform the welfare state into a threadbare safety net for the most desperate. The rest will be encouraged to take out private pensions, private health insurance and to cope with periods of unemployment by going onto workfare.

The differences between different welfare systems (social insurance schemes in Germany, France and Italy, tax financed state provision in Britain) are being obliterated as each country pushes its middle classes and better off workers towards individual insurance schemes and the mass of its population towards a bare minimum of social provision. And by encouraging individualism the bosses hope to fragment resistance to their proposed changes, breaking up the middle class and working class alliance that created the pressure for "universal welfare" in the post-war period.

The end of the welfare state as we know it is nigh.

As one article recently argued:

"Yet it is increasingly clear that there is no alternative to fundamental reforms if advanced economies are to protect their most vulnerable citizens without imposing unacceptable burdens on economic performance. The welfare state may have effectively bound societies together through the ups and downs of the economic cycle for the past 40 years. But a new glue will be needed over the next 50 years if advanced economies are to pass beyond the welfare state."[9]

That such a dramatic attack is being openly discussed in the forums and organs of the ruling class at a time when the maintenance and massive expansion of welfare is desperately needed is a poignant reminder of what a sick and perverse system capitalism is. It is a system that has thrown over twenty million people in the EU on the dole and at the very same time works out means of cutting their benefits. It is a system that depends on the lifelong labour of millions, but schemes openly about ways of swindling them out of pensions which would enable them to enjoy life after work.

Any self-respecting socialist will be outraged at all of this. It is the sort of thing that should even prompt anger from the ranks of European social democracy. But it doesn't. European social democracy has no real alternative to the plans of their conservative opponents. Or rather, their alternative holds out no real hope for improving the lot of those affected by capitalism—the working class. European social democracy is faced with a serious dilemma.

It is deeply discredited in France and Italy (although the ex-Stalinists of the PDS are trying to give it a new lease of life by transforming themselves into a new variant of it). It is alienating its working class support in Spain where it is carrying through a savage austerity programme. In Germany and Britain it has been out of office so long that it has meekly embraced many of the conservative policies that it believes are the key to it winning elections.

How can it extricate itself from this mess? If it opposes the needs of European capitalism and seeks to rally the working class to fight it risks unleashing forces that will destroy it. Besides, its loyalty to capitalism prohibits such a course. But, if it offers nothing except austerity it risks putting itself permanently on the losing side in elections.

To solve this dilemma important sections of social democracy are bypassing the debate on the welfare state (hoping the problem will go away) and concocting plans to resolve the problems of European capitalism through programmes for economic growth.

Through such programmes, they hope, twenty million jobs will be created, Europe will become globally competitive and some form of social welfare system can be preserved. To this end they have produced a "Socialist Manifesto for Europe".

The attacks on the various welfare systems do not get a mention in this Manifesto. It declares:

"Create jobs, safeguard social progress and encourage cohesion; Work for equality for women and men; Protect the environment and the consumer; Create peace; Fight racism and xenophobia; Combat organised crime; Work for more democracy. This is our programme."[10]

This is a paltry programme. It is a desperate bid by social democracy to prove that it could run European capitalism more profitably than the conservatives. It concentrates on defending the basis of the attacks on the welfare state, arguing, "economic convergence is a key to its success". It stresses protecting the environment. All well and good, but it is not matched by any commitment to protecting the rights and interests of the working class.

More substantial than the programme, but very much along the same lines is the white paper, *Growth, Competitiveness, Employment*, from the Commission of the European Communities, namely Jacques Delors, (Brussels, Luxembourg 1993).

This is the most developed version of social democratic strategy to date. It should be called a white flag, not a white paper. For the terms on which it proposes to solve the problem of Europe's economic stagnation are terms of surrender to the bosses. Like the labour market flexibility measures introduced in Spain by Gonzalez's "socialist government" it aims at making the working class easier to exploit.

Its stress on job creation gives it a "welfarist" gloss, but the terms of this job creation package (EU "state intervention" into infrastructural projects, combined with reforms in the labour market) owes more to President Clinton than to any brand of socialism.

As well as massive cuts in social expenditure the bosses want to wring more surplus value out of workers through increasing their labour productivity. With money for investment in plant and machinery scarce the bosses have only one way of doing this—make workers work harder, preferably for less pay. The fundamental ideas contained within the white paper accord with this anti-working class objective. It castigates the "inflexibility of the labour market" and urges unemployed people to move about the country in search of work. Once in a company it urges workers to accept flexible working (negotiated with unions or works councils, as a sop). To the bosses it says of flexible working:

"Focusing on the continuity of the link between the company and the worker, it maximises the investment in human resources and staff involvement. It is up to the individual company to improve internal flexibility by means of staff versatility, the integrated organisation of work, flexible working hours, and performance related pay."[11]

In the world of work each of these phrases has a real meaning, coyly ignored by the white paper. "Staff versatility" means that you get told to do any job the boss wants you to regardless of your skill or the work you were originally employed to do. It means not employing cleaners, but getting machine operators to clean up as well as operate their machines.

"The integrated organisation of work" means working none stop so long as the machines are kept switched on. You get fewer breaks, you work more intensively, but your pay stays the same.

"Flexible working hours" can mean part time work, at best, compulsory shift work, unsocial hours and compulsory overtime at worst. It destroys your right to any leisure.

"Performance related pay" means that you do not get a fair rate for the job, you get measured by results. If a machine breaks down you get less pay. If you do not work till you drop you don't get any bonus.

In case anybody is in any doubt that this is the sort of thing the authors have in mind, they are referred to the recent deal at Volkswagen as an example of flexibility. Workers were put on a four day week. They also had a 10% wage cut. The result—no new jobs created, but the bosses were

saved from having to fork out any redundancy payments and the state was saved from having to cough up unemployment benefit for sacked workers.

The document is full of proposals like this. For the long term unemployed there is to be training plus workfare. But it is workfare with a difference. The unemployed will be told to pay for their training and for the temporary job they are allotted:

> "In exchange, unemployed people who are thus given real assistance in returning to employment would make a personal investment in this training and employment."[12]

You used to get paid to work. Now you have to pay for a job! Of course the document also calls for investment in European wide infrastructural projects that will create jobs, but will also cost money.

So scared are the European social democrats of answering the question, "where will the money come from?" with the answer, "tax the rich", the document explains that there will be a shift away from income tax increases and a further shift towards indirect taxes. Its "progressive" element is to impose an environmental tax on businesses which pollute the atmosphere, but this really would not amount to much, so it argues:

> "Possible compensatory tax measures include environmental taxes (taxation of CO_2 and excise duties on energy), excise duties on consumer products that are damaging to health, taxation of interest income applicable to all Community residents and, where appropriate and subject to certain conditions, an increase in VAT."[13]

So, it will be the consumers, largely working class, who will be forced to pick up the tab. And even the tax on income interest will hit workers hardest. After all we don't have accountants that can shift the contents of our building society accounts to the Cayman islands. The bosses do.

Social democracy is regrouping itself on a European wide level around policies that will do little to protect the ravaged welfare systems. The new found concern for the environment does nothing to disguise the right wing basis of their project for a "social Europe".

The working class of Europe are facing a severe test. If they allow their respective governments to push through the austerity programmes they will suffer from more mass unemployment and less welfare protection. Trade unions should be waking up to this and building for Europe wide strike action against the bosses' attacks.

The basis for unity is there. Workers in Germany and Spain face the same wage cutting Volkswagen bosses. Workers in Germany, Italy and Spain are all face job cuts in the steel industry at the hands of the European Commission. The current scope of European integration, although limited, has created a much firmer foundation for workers' unity across the continent since many of the attacks are co-ordinated at a European level, many of the firms organise across the boundaries of the member states.

Sadly, but not surprisingly the bureaucrats of the European Trade Union Federation (ETUF) are not interested in mounting such action. These bureaucrats are only interested in looking after themselves. Their co-operation at a European level has increased. It is not fighting co-operation. It is the united effort of men and women concerned about the effect that the one third drop in union membership across the countries of the EU might have on their salaries and lifestyle.

They are busy coming up with Euro-schemes to shore up their organisations, instead of campaigns of action that can build those organisations into fighting bodies capable of mobilising their existing members and attracting millions of new ones. Like the social democrats they are in league with, they want to accommodate to European capitalism, not fight it.

But over the last few months workers have shown that they do have the capacity to fight. Faced with the attack on "bad weather" money German building workers struck and marched on Bonn. Belgian workers staged a massive general strike against their government's austerity package last December. Spain was paralysed by a general strike in February this year.

The French government was forced to retreat by the militant action of Air France workers when it threatened to cut jobs. In Italy strikes have hit countless sections of industry, with the entire town of Crotone being occupied by chemical workers last autumn.

All of these actions show the way. All of them struck fear into the bosses and into the governments. The social democrats fell silent in the face of these actions. They too feared the potential that was revealed.

This potential must be built on in the coming months. We don't need the bureaucrats' luncheons and soirees of the ETUF, we need rank and file cross industry combine committees committed to action against wage and job cuts and the dismantling of the welfare state.

The Belgian workers coincided their action with a meeting of the European heads of government. They showed an understanding of the international dimension of their struggle.

All workers must grasp this. In the months ahead we should make 1994 the European year of the workers. If we do we can scupper the bosses' plans for a massive austerity drive and lay the basis for developing the struggle for the united Europe we want—the socialist united states of Europe. ●

NOTES

1 *Financial Times* 4.11.93
2 *The Guardian* 9.2.94
3 *The Economist* 20.11.93
4 *Newsweek* 20.12.93
5 *The Economist* 23.10.93
6 *Financial Times* 8.11.93
7 *Financial Times* 30.11.93
8 *Newsweek* 20.12.93
9 *Financial Times* 25.10.93
10 *European Labour Forum* New Year 1994
11 *Growth, Competitiveness, Employment* (EC Commission), p16
12 Ibid
13 Ibid
14 ibid

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The proposed settlement over the partition of Bosnia-Herzegovina is a big blow against the longstanding multi-ethnic character of the old republic in former Yugoslavia. For centuries economic and political developments have combined to prevent the Bosnian Muslims, in particular, from attaining a national consciousness. Michael Gatter explores the reasons for this, and asks what difference the experience of war has made.

Many people, despairing of the ethnic war in ex-Yugoslavia, have ceased to root the conflict in the real history of relations between the different communities. Yet it is the interweaving of class and religious ties that underpins the consciousness of all those involved in the current war. In particular the history of the Bosnian Muslims reflects in the sharpest way the national and social complexities of relations between the Balkan peoples.

The Bosnian Muslims emerged out of a local heretic movement, the Krstjani, which split away from the Roman Church at the start of the thirteenth century. This "Bosnian Church" constituted, like other heretic sects in this period (the Bogomils, the Cathars), a rebellion against the domination of the parasitic Papacy. The latter responded with such savage military repression that Pope Pius II was able to boast in 1460 that, "about twelve thousand have been baptized, forty or a bit more fled"[1]

But this triumph was short lived. The Ottoman Turks were steadily conquering the Balkans. Several contemporary reports indicate that the Krstjani greeted them as liberators.[2] Identification with the tyrannical Roman Church was so weak that the population underwent a mass conversion to Islam and "at the end of the sixteenth century 80% of the Bosnian population were Muslims."[3] This conversion enabled the traditional Bosnian aristocracy to hold onto their social power. In time the Muslims developed a class of big landowners—the Begs.[4]

For the next three hundred years this may have been an advantage for the new Muslims in comparison with the other conquered Slavic peoples of the Balkans. In time it was to prove a major obstacle to the development of a modern bourgeois class and therefore to the formation of a nation.

Things worked in the reverse direction as far as the Serbs were concerned. Serbia was a powerful monarchy throughout the middle ages. Conquest and occupation by the Ottomans in the fourteenth century threw Serbia back to a patriarchal peasant collectivism in landed property—the zadruga—which was similar to the Russian "mir".

The destruction of Serbia's ruling classes was the general pattern of Ottoman conquest in the Balkans. These regular rounds of exterminations and expulsions contributed to the misery and historic backwardness of the Balkans and explain the eventual chronic weakness of capitalist develop-

Bosnian Muslims a nation?

ment. An extremely atomised peasantry made a more economically productive utilisation of the land almost impossible. It led in turn to rural over-population and a very weak development of industry by the nineteenth century.[5] According to one economic historian, GDP per head declined between 1860-1910, during the very period of the most dramatic and widespread capitalist growth in western Europe.[6]

Serbia stagnated for centuries along with the rest of the region. Yet because there was no strong ruling class integrated into the upper political and social echelons of the Ottoman Empire in Serbia, it gave birth, albeit slowly and belatedly, to a predominantly merchant bourgeois class. This led to a national movement against Ottoman rule. With the aid of Tsarist Russia this achieved autonomy in 1830 and later (1867) complete independence.

The fate of the Muslim population in Bosnia was quite different. Their aristocracy held on to their social position by converting to Islam and by integrating themselves into the military and administrative elite of the Ottoman state. Consequently, during its long decline—dominated by the Asiatic mode of production—the Muslim Begs were hostile to any modernisation. When the Sultans cautiously tried to reform the empire in the nineteenth century the Bosnian Begs launched separatist uprisings, which were put down only with difficulty.

After an initial resistance to the 1878 Austro-Hungarian annexation of Bosnia-Herzegovina the Begs came to terms with the Habsburgs. The Austro-Hungarian bourgeoisie and the Begs shared common interests. Both wanted to suppress the unrest of the Serbian peasants and tenant farmers and to restrain Serbian expansion which, after 1903, was the main threat to the Habsburgs in the Balkans.

One important result of this whole history was that the Muslims did not join in the nation-building process in the Balkans during the nineteenth century. Because of the different development of their propertied classes the Serbs and the Croats were both able to build nations:

> "According to the 1910 census, Muslims made up 91.15% of all landlords whose lands were tilled by customary tenants... But according to the same census, 73.92% of all (serfs) were Orthodox, and 21.49% were Catholic."[7]

The absence of the developed and differentiated classes, which make up bourgeois society held back the development of a Muslim nation. While such social differentiation was equally absent for Croats and Serbs in Bosnia they came under the influence of the more developed bourgeois classes in Croatia and Serbia.

By contrast the only "motherland" for the Muslims was the Ottoman Empire which was in terminal decline and from which they were cut off after 1878. Moreover, the Muslims in Bosnia were scattered, without a compact territory of their own. This certainly hindered them becoming a nation.

This different line of development became explosive because the confessional line coincided with a class divide—a crucial factor in understanding the deep roots of nationalism in the Balkans.[8]

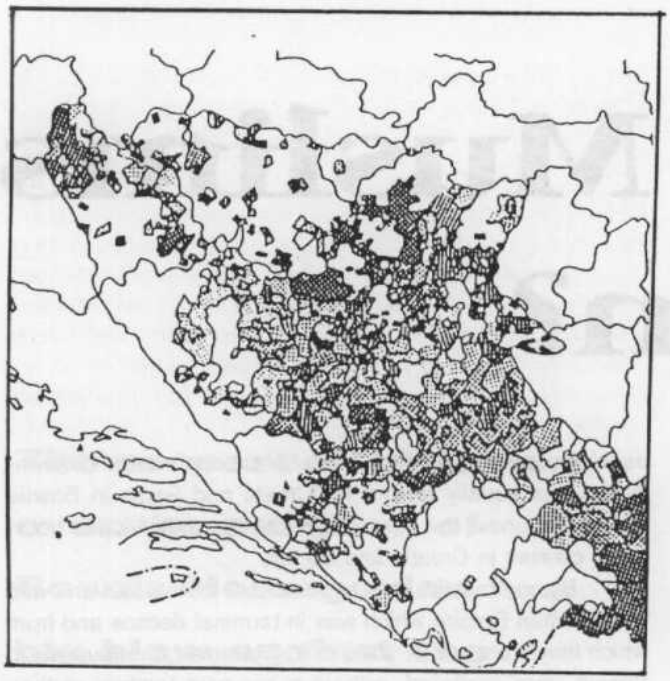
Failing to build a nation of their own the Muslims became the target of rising Serbian and Croatian nationalism from the end of the nineteenth century. Once again for reasons specific to their historic development Serbian and Croatian nationalism proved incapable of achieving a progressive solution to the national question in the Balkans.

Because of its belated arrival on the stage of history Serbian nationalism always showed a pronounced tendency to subordinate itself to one or other of the two dynastic powers vying for control of the Balkans power, Habsburg Austria or Romanov Russia. In the mid-nineteenth century it looked to the Tsar to achieve its liberation from the Ottomans. Then it turned to the Austro-Hungarian Empire; after 1903 it became Russia again and during the first world war Russia's allies France and Britain.

As a result Serbian nationalism sought to "solve" its contradictions not in a struggle with imperialism but rather at the expense of the weaker nationalities and ethnic communities of the region; the Albanians, Croats, Muslims and Macedonians.

The record of Croatian nationalism is in no way superior. While Serbian nationalism at least originated in wars of liberation against Ottoman rule, Croatian nationalism never transcended the role of handmaiden to the Habsburgs. In 1848 Croatian units provided shock troops to crush the bourgeois democratic revolution in Vienna.

Afterwards Croatian nationalism staekd everything on the protection of the Emperor in Vienna, refusing to join in the growing liberation movements of the oppressed nationalities throughout the Empire. The reactionary role of Croatian nationalism was to culminate in the "Independent" Ustasha



BOSNIA: A MULTI-ETHNIC PATCHWORK REPUBLIC

State (NDH) of 1941-1945.

Both Serbian and Croatian nationalism attempted, from the end of the last century to integrate, or more precisely, to assimilate the Muslims. They argued that the Muslims were "islamicised" Croats or Serbs who must come back into the fold of their "true" motherland. Indeed Bosnia-Herzegovina had been the core of the short-lived medieval state which Croatian nationalists chose as the origin of the nation. Thus the founder of Croatian nationalism went so far as to suggest that the Muslims were "the better Croats".

The reaction of the Muslim classes to this pressure was not uniform. On the one hand, the Begs were sympathetic to the Croats. But at the same time they had no interest in giving up their politico-religious leading role in the Muslim community under the Habsburgs.

They felt they would lose out in any process of integration into bigger and more developed bourgeois class societies, like those of the Croats or the Serbs. Moreover, the big landowners succeeded in keeping the mass of the Muslim population behind it. Hence, "Catholic felt as Croats, Orthodox as Serbs. In contrast the Muslims saw themselves as part of the—supranational—people of the Ottoman empire." [9] Or as another historian states, "The overwhelming majority of ordinary Muslims shunned any process of 'nationalisation'"[10]

However, the small, but growing, modern intelligentsia fell increasingly under the influence of the nation building process which ran through the Balkans, most of them considering themselves as Croats.[11]

This Croatophilia was due to several factors. First, Serbian nationalism's liberation struggle against the Ottomans always contained a strong dose of Islamophobia. In contrast, the Croatian propertied classes shared with their Muslim counterparts political conservatism and loyalty to the Habsburgs. This Croatophilia was strengthened once again during the 1920s and 1930s because both Croats and Bosnians suffered national oppression within the Yugoslav kingdom, which was essentially an expanded Serbia.

Nearly every Bosnian Muslim parliamentary deputy held Croatian nationality and the bourgeois Muslim party, JMO[12], even collaborated with the Ustasha state. Today's most radical right wing Croatian nationalist leader, Dobroslav Paraga, advocates a "historic Croatia" which includes the whole of Bosnia-Herzegovina and from the outset of the present war he recruited Muslims for his HOS-militias, with some success.

Yet these pro-Croat sympathies could never be transformed into integration into the Croat nation. In the Balkans, and especially in Bosnia-Herzegovina, religion was a very important element in the nation building process. This was due to the Ottoman millet-system, which gave the non-Islamic churches a central administrative function over their respective ethnic groups.[13]

On the other hand, loyalty to Islam was the key to a career in the military and bureaucratic apparatus. So religion became a decisive component of ethnic and later national identity.

Croatian nationalism only ever accepted the Muslims as subordinate partners—never as equals. So when the Muslims fought for religious-educational autonomy between 1899-1908 the Croats resisted strongly. Ultimately, there emerged a powerful current inside Croatian nationalism which characterised the Muslims as "national enemies", rather than "better Croats". This sentiment was, and is, especially strong in the peasant dominated Western Herzegovina.

Finally, the Muslims also feared that to openly embrace either the Croats or the Serbs would inevitably draw them into the Serbo-Croatian firing line, with dire consequences for them. They felt, rightly, that they could only survive in a multi-ethnic Bosnia-Herzegovina.

Although the Bosnian Muslims did not become a nation during the late nineteenth and first half of the twentieth century this is not to say that they were just an amorphous mass. They understood themselves to be a specific cultural entity, different from the other nationalities. Their development from an ethnicity, mainly defined by their religion, towards nationhood was blocked in two ways by their specific social conditions.

Muslim society did not develop strong modern bourgeois and petit bourgeois classes or an intelligentsia that could lead such a development. Nor did the Muslims occupy a contiguous and ethnically homogeneous territory. But neither could Muslims be integrated into the Croat or Serb nations.

Due to the continuing political hegemony of the reactionary Begs the Muslims remained outside the South Slav (Yugoslav) unity movement of the early 1900s which was rooted mainly in the Serbian and Croatian communities. Indeed reactionary Muslim leaders used the ferocious Austrian anti-Serb propaganda, at the beginning of the first world war, to organise riots and pogroms against

Bosnian Serbs. The Yugoslav movement might have been a step towards solving the national antagonisms in the Balkans.

But Slav unity alone could not complete this process. Indeed pan-(south) Slavism held chauvinist dangers *vis-a-vis* the non-Slav peoples of the Balkans. For this reason the revolutionary social-democratic parties, particularly in Serbia and Bulgaria, developed the slogan of a "democratic Federation of the Balkans", which was later developed by the Communist International as the "Socialist Federation of the Balkans".

But the Muslim leaders' abstention from the Yugoslav movement was justified in the eyes of the Muslim masses by its actual outcome, the Yugoslav kingdom, a nationally oppressive and viciously anti-working class bonarpartist regime. This outcome proved a central Trotskyist thesis; namely, that the bourgeoisie is unable to resolve either progressively or permanently the national question in the imperialist epoch.

From the beginning, the Kingdom of Serbs Croats and Slovenes[14] was characterised by Serbian dominance over the other nationalities. Serbian nationalism succeeded in conflating the class hatred of Serbian tenants against the Muslim Begs with anti-Muslim chauvinism. This was especially strong in 1918 when the whole country was engulfed in peasant riots.

There were, however, important multinational class struggles, such as the heroic Bosnian miners' strike of December 1920 led by the Communist Party. In "one of the best known and biggest class struggles in Yugoslavia"[15] 4,800 miners—mainly Croats but joined by Slovenes, Muslims and Serbs—fought for social demands against the government. Government forces, together with Serbian nationalist militias, brutally smashed the strike wave.[16] This defeat for multinational working class action resulted in strengthening anti-Serb feelings.

The immaturity of the young CP and the resurgent Serb nationalism were important factors in cementing an all-Muslim cross-class unity. The bourgeois JMO succeeded in getting 98% of all Muslim votes in the 1920 elections for the Constituent Assembly.[17]

The JMO was dominated by the reactionary interests of the big semi-feudal land owners. In the decisive vote on the constitution in 1921 the JMO voted in favour of the reactionary and nationally oppressive constitution. In return they got a promise from the Serbian dominated Belgrade government not to implement agrarian reform in Bosnia which would have threatened the social wealth of the Begs.

The reactionary Begs continued to sell-out the struggle for Muslim rights. After the coup d'etat by King Alexander and the establishment of a monarchist military dictatorship the JMO failed to mobilise any resistance and, together with other bourgeois opposition parties, conducted a tug of war with the monarchy.

For a period the JMO even entered the government and served the Serbian monarchy in the interest of "stability". In 1939, Serbian and Croatian nationalists agreed upon the "sporazum".[18] This was an agreement between the central (Serbian) government and Macek, the leader of the Croatian Peasant Party, to give Croatia more autonomy and to divide Bosnia-Herzegovina between "Croatian Banovina" and "Serbian territories". The JMO leader, Dzafar Kulenovic, supported this despite its reactionary consequences for the Muslims. Worse the JMO supported the fascist Ustasha regime of Ante Pavelic in 1941.

As Marxists we reject Serbian nationalist claims, often shared by Stalinophile leftists, that the Croats and Muslims are reactionary peoples in contrast to the Serbs, who fought against the Ottomans and then German fascism.

Firstly, it should be noted that after 1941 there existed a strong monarchist and chauvinist Cetnik Movement, whose main activity, particularly in Bosnia, was ethnic cleansing of Croats and Muslims[19] and fighting against the Partisans. They collaborated from the beginning with the Italian fascist army. Later they did the same with the Nazi occupation forces and in some areas even with the Ustashi![20]

Additionally, it is understandable that an oppressed people does not usually rally to the defence of their national oppressors. They are very likely to develop naïve and false hopes in any "liberator" that attacks their oppressors. Today, the Muslims have developed similar illusions in United States and European Union imperialism.

Of course, these are crippling illusions and Marxists denounce the leaders of the community for spreading them. Nevertheless, we must understand the reasons for these if we are to break them. In any case, history is the biggest teacher and those Croats and Muslims who had illusions in the Ustasha/Nazi state quickly lost them.[21]

The second world war was a watershed for inter-ethnic relations in Bosnia-Herzegovina. While some bourgeois Muslim forces collaborated with the fascist NDH and a Muslim 13th SS-Division was even created, the vast majority of the Bosnian Muslims suffered terribly at the fascists hands. The chauvinist pogroms carried out by the Cetnik bands and by the new Ustasha state demonstrated to them the necessity of a sharp struggle against nationalism. According to several studies the Muslims faced genocide.

There are estimates that up to 100,000 Muslims, approximately 8% of the population, were killed.[22] Whilst many Muslims joined the Partisans in Herzegovina soon after the Partisan liberation war started, the general participation of Muslims in the Partisan movement dates only from 1943. But this common experience of a struggle comprising Serbs, Muslims and Croats against chauvinism and occupation, was very important in forging a multinational Bosnian identity.

In Stalinist Yugoslavia the national question was posed anew under changed conditions. The Titoite bureaucracy understood well that there could be no real stability in Yugoslavia without the elimination of national conflict, particularly between the Serbs, Croats and Slovenes. The Serbs were (and are) too weak to enforce a system of stable national oppression in the whole of Yugoslavia. In 1948 they comprised 41.5% of the Yugoslav population. In 1971 this was down to 39.7%.[23]

The bureaucracy exercised its political dictatorship partly on the basis of balancing between, and arbitrating

between, the various nationalities. The denial of free political expression to any forces outside the League of Yugoslav communists suppressed open nationalist agitation. Nevertheless this took on a disguised expression within the party and the cultural intelligentsia. Repeated re-adjustments had to be made in the political balance of power, culminating in the 1974 constitution.

The only important exception to this inclusive system was the Kosovo Albanians, who were simply oppressed. This was because the right of national self-determination for the Albanians would probably have resulted in the creation a separate republic or even a union with Albania. This would have provoked Serbian nationalism into a frenzy.

Its founding historical myth centres on the heroic defeat of the Serbs at the hands of the Ottomans in Kosovo in 1389, an act of redemptive crucifixion, which led eventually to national resurrection. The "field of Kosovo" is regarded as the Calvary of the Serb nation. Unfortunately this region is not, and has not been for centuries, inhabited by Serbs.

Its extreme poverty and backwardness have failed to make it attractive to them. Any moves to grant the Albanians their rights to self-determination would have thus endangered internal stability. In addition they would have changed the balance of forces in the Balkans in favour of Tito's Albanian rival Stalinist, Enver Hoxa.

This strategy of building a balance of power between the nations was the main reason why the Stalinist bureaucracy declared the Bosnian Muslims a nation in 1963. A secondary reason was that it aided Tito's sponsorship of the non-aligned movement, in which several Islamic states played an important role.[24]

The practical fruit of this new status was an increasing share of party, state and economic positions for Muslims (the important exception was the military). There are also indications that religious affiliation declined in Bosnia. According to one poll in 1985 only 17% were religious believers, compared with 19% in Macedonia, 26% in Slovenia, 33% in Croatia and 44% in Kosovo.[25]

The industrialisation process in the Yugoslav degenerate workers' state also led to the development of a significant Muslim working class. As a consequence Muslims became the most urbanised ethnic group in Bosnia.

While there was no systematic national oppression of Muslims under Tito several forms of discrimination existed. All the positive economic indices cannot hide the fact that Bosnia-Herzegovina was, before the present war, still an underdeveloped part of Yugoslavia.

According to official statistics Bosnia's per capita income grew by 201% between 1947-1962; yet the average for Yugoslavia was 235% while Slovenia's grew by 282%.[26] In the late 1980s the relative per capita social product in Bosnia was 80, while the average for Yugoslavia was 100 and in Slovenia 179.[27]

In 1945 several leading Stalinists, including Milovan Djilas, actually opposed the formation of the republic of Bosnia-Herzegovina. An organisation called "Young Muslims" was founded at the end of the war to defend the Muslims against attacks and banned as "terrorist group".[28] In 1983 the Stalinists put Alia Itzetbegovic and 13 others on trial, accusing them of "Islamic fundamentalism". While they undoubtedly professed bourgeois religious ideas, it was an absurd slander to accuse them of fundamentalism. Many Muslims correctly grasped that this reactionary trial was an attack on them as an ethnic group.

How then should we characterise the "Muslim" national question under the Stalinist bureaucracy? Essentially, the Muslim ethnic community remained a "half way house"; it neither developed fully into an independent a nationality nor was it absorbed into another one. The agrarian reform of 1945 liquidated the Begs as a class of semi-feudal landowners, while the overthrow of capitalism in 1946/47 prevented the formation of a Muslim urban bourgeoisie.

The creation of a degenerate workers' state after the expropriation of the semi-feudal landed aristocracy, meant the bourgeois dynamo of nation-building was never started up. Meanwhile, the working class had no class interest in the formation of a nation.

When a society is flung into deep crises that threaten its very existence it is possible to go forward or backward. To go forward society must look to the working class and a political leadership which represents its fundamental interests—a revolutionary communist party. To go backward requires simply that society falls under the leadership of bourgeois forces. All currents in between are forced to vacillate between these two poles. If they are not able to find their way to the path of proletarian revolution they are doomed to serve reaction.

This is exactly what has happened in Bosnia. The death agony of Stalinism hurled the whole country into convulsions. The pattern of established economic ties was forcibly torn up. The Stalinist bureaucracy, losing all faith in its own system, embarked on the restoration of capitalism. But since it was discredited in its "socialist" guise it could only hope to lead this process by donning the "traditional" and outlandish costumes of nationalism. Rival bureaucrats outdid one another in demagogic excesses in the hope of getting the people to forget the bureaucracy's own recent past.

Nationalism was the only radicalism with deep historical roots which could outdistance the growing working class radicalism in the years 1986-88. However the strike waves which could have been the harbingers of political revolution lacked any clear class political leadership. Thus a wing of the Serbian bureaucracy under Slobodan Milosevic, fanned chauvinist flames.

He claimed that all the Serbian workers' economic problems were due, not to the bureaucracy's mismanagement and disruption of the planned economy, but to the so-called privileges of the other nationalities. Moreover, the Slovenian and Croatian bureaucrats wanted to get rid of the more backward parts of Yugoslavia. Nationalism and capitalist restoration would help this.

It is obvious from all that has been said before that there existed a basis, a popular "historical memory", which the bureaucrats were able to exploit to achieve their goals.

But such ideologies are open to being contested, refuted and replaced. The ex-Yugoslav peoples were not doomed, as though by some genetic imprint, to hate each other because of these resurrected memories, part real, part myth. A revolutionary internationalist party can shatter these mythologised "memories" with new experiences, above all, with the experience of multinational class war against the fomentors of national carnage. But this party does not exist today and this is the key to understanding the depth of the current tragedy.

When the various bureaucracies launched their campaign of national hatred the Bosnian working class resisted particularly strongly. After war broke out between Serbia and Croatia in 1991 tens of thousands of Muslim, Croatian and Serbian workers marched in Sarajevo against nationalism and war.

The climax of this desperate struggle to avert catastrophe was the mass demonstration of April 1992, in Sarajevo. Hundreds of thousands of workers from all around Bosnia occupied the inner city for three days. They stormed parliament, demanding the resignation of Itzetbegovic and the immediate cessation of the war moves.

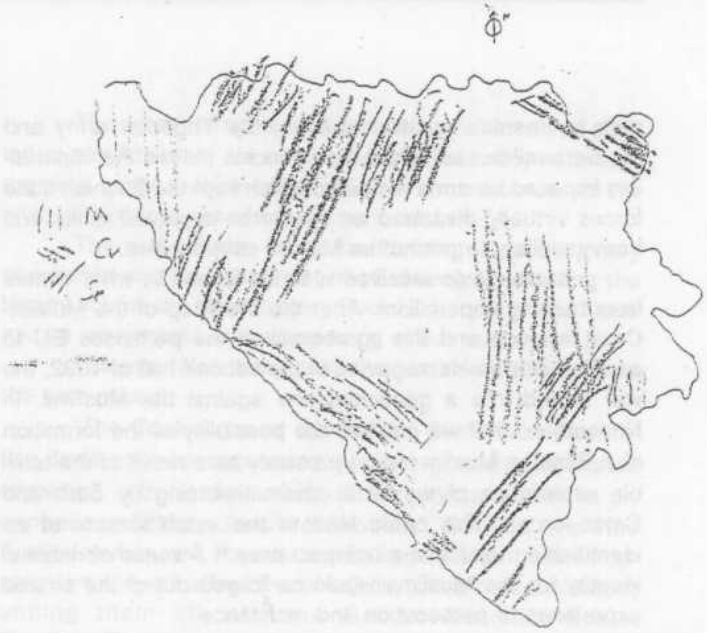
They saw clearly that the responsibility for the war lay, in large measure, with their reactionary government. Tragically, this movement was betrayed by the leaders of the liberal and reformist parties who were seeking a compromise and to this end disarmed the masses. The crowd was unprotected in the face of sniper attacks by the Serbian militias.[29]

The deliberate diversion of the class struggle into national conflict strengthened bourgeois forces in all three communities in Bosnia: the SDS (Serbian Democratic Party), the HDZ (Croatian Democratic Community) and the Muslim SDA (Party of Democratic Action). The SDA was founded in May 1990 by Itzetbegovic.

The party became a bourgeois, pro-capitalist party which claimed to represent the Muslim community.[30] Undoubtedly, the SDA succeeded in this project (as did the HDZ and the SDS among the Croats and Serbs). Of the 240 seats in the two chambers of parliament the SDA held 86, the SDS 72 and the HDZ 44 seats. In all there were 99 Muslim seats, 85 Serb, 49 Croat and seven declaring themselves as "Yugoslavs".[31]

Whilst the SDA does have an Islamic fundamentalist wing, which is becoming stronger, it would be wrong to characterise the SDA in its entirety as a fundamentalist party. The Bosnian Muslims lacked the essential basis for the creation of an Islamic state. According to one 1991 poll, the Muslims counted for 43.7% of the Bosnian population, Serbs 31.4% and Croats 17.4% (5.5% are "Yugoslavs")[32]

The structural faultlines made the project of either a confessional or a national state utopian; namely, territorial dispersal and under-representation in the military apparatus and the greater degree of secularisation amongst them than in the Croat or Serb communities. The SDA strategy was therefore to preserve a multinational Bosnia, but to establish a Muslim hegemony and seek from west European imperialism guarantees for the independence of Bosnia.



AN EARLY 1992 UN ATTEMPT AT ETHNIC PARTITION

This project implied neither ethnic cleansing, nor systematic persecution of the other minorities. It was formally democratic since the Muslims constituted a plurality on their own and a majority, with the Croats, for Bosnian independence. Nevertheless, the inherent dynamic of this policy seemed a serious threat to the Serbs, who it converted into a national minority, severed by the new state borders from their fellow Serbs to the east and the north.

To carry out this strategy the SDA leadershipwas obliged to form an alliance with the Croatian HDZ. They also sought to avoid provoking the Yugoslav army (JNA) and to this end totally failed to prepare themselves militarily for the coming war. They placed all their hopes on recognition and support from European imperialism which urged them along this suicidal course. This was the aim the referendum in February 1992, which was boycotted by the Serbian minority.

The Muslims had no intention of splitting the republic because they would thereby atomise themselves. Certainly, there were differences between the outlook of the rural and the urban population. While multinational feelings were very strong in the cities they were weaker in the more backward countryside. But the huge demonstrations in April 1992 clearly revealed the strength of multinationalism.

While the SDA leadership may have had a strategic plan for Muslim hegemony it did not dare to campaign for it openly precisely because this would have been violently unpopular with the Muslim population. The latter felt, correctly, they could only survive in a multi-ethnic Bosnia. Therefore SDA propaganda focused on slogans such as, "For an equal representation of the Muslims in a multinational Bosnia"[33]

As we have said from the outset of the conflict, Bosnia-Herzegovina can only survive as a multinational entity—not as a cantonised State or a Confederation of three republics. The Bosnian peoples were so intermixed that such a "solution" could only be brought about by mass expulsions of population which could only be achieved by terror.

The war has achieved in great measure exactly this arch-reactionary objective. The European Union, having encouraged a Bosnian declaration of independence, did not

rush to Bosnia's assistance when the Yugoslav army and the Serb militias launched their attacks. Indeed the imperialists imposed an arms' embargo which kept the Bosnian state forces virtually disarmed as the Serbs deployed tanks and heavy artillery to pound the Muslim communities.

Itzetbegovic received a brutal lesson in what comes from trusting imperialism. After the break up of the Muslim-Croat alliance and the agreement of the perfidious EU to partition Bosnia-Herzegovina in the second half of 1992, the war turned into a genocidal one against the Muslims. In November 1992 we outlined the possibility of the formation of a Bosnian Muslim nation precisely as a result of the terrible experience of war and ethnic cleansing by Serb and Croat forces. This could lead to the establishment of an identifiable majority in a compact area.[34] A sense of national identity for the Muslims would be forged out of the shared experience of persecution and resistance.

How far has this process gone? Although there has been massive ethnic cleansing against the Muslims there are still tens of thousands of Muslims living in areas under the control of the Serbs or Croats.[35]

Nevertheless, in a small part of Bosnia, probably 10%, the Muslims undoubtedly make up the overwhelming majority. Because of this national experience, hatred for the Serbs and Croats has intensified. In the Bosnian popular newspapers such as *Lilja*, or *Nova Bosna* growing Muslim "nationalism" is evident.

Unsurprisingly the Muslim nationalists have drawn the conclusion that living together with Serbs and Croats is impossible. The absence of a consistent internationalist party helps them to drum this idea into the brains of many Muslims. The right wing in the SDA and the genuine fundamentalist forces, which dominate the unelected Muslim Assembly, have an open project of fighting for a bigger piece of Bosnia so as to create a Muslim state there.

But it would be wrong to identify a continuing process with the final result, or to accept that this process is irreversible. There are important countervailing tendencies. While in the central Bosnian region, around Zenica, Muslim "nationalism" and fundamentalism is quite strong, multi-ethnicity still dominates in central urban areas such as Sarajevo and Tuzla.[36]

Furthermore, the army is still multinational, especially the Second Corps around Tuzla, which still has a multinational officer corps. But even in Sarajevo there are still HVO units in the army[37] as well as Serbs. Approximately 10% of the government army is non-Muslim.

There is still a multinational elected parliament and state presidium. There are multinational parties like the Liberals or the Reformist Party and also Croatian and Serbian parties like the Croatian Citizen Party, the Croatian Peasant Party and the recently founded "Serbian Assemblies".[38]

A strong mood still prevails in the Muslim and mixed population areas against partition and for a multi-ethnic solution. Even the 17th Brigade, which is composed of Muslim refugees from the Banja Luka region, strongly favours a multi-ethnic Bosnia. Some months ago Itzetbegovic admitted at an SDA conference that the Muslims still have no national identity or national consciousness. This multi-ethnic mood forces the SDA leaders to continue to deploy multinational rhetoric. Itzetbegovic regularly speaks about the heroic multi-ethnic Partisan tradition in the second world war and repeatedly underlines his commitment to a multinational Bosnia-Herzegovina.[39] The official Radio and TV condemns pogromist action by Muslim fundamentalist forces in Central Bosnia. This is unimaginable in Serbia or in Croatia

To this picture we have to add that a majority of the Croats do not live in Western Herzegovina and many Croats (and possibly the majority in Croatia itself) are still opposed to partition. Finally, there is evidence of continued multinational sentiments in the territories occupied by Serbs.

In the uprising of Serbian soldiers in Banja Luka and Prijedor in September 1993, it was reported that they accused Karadjic of being a Cetnik and of favouring the destruction of the multinational communities; they hailed the multi-ethnic Partisan tradition.[40]

In early March 1994 an agreement was signed between the Bosnian-Muslim government, the Bosnian Croat nationalist leaders and the Croatian government. It sketched out a plan to form a Bosnian Muslim-Croatian federation and a confederation between this and Croatia. Strong pressure is being exerted on the Serbs to join this peace process. This agreement will have to withstand the pressures of continuing military action in central Bosnia.

It is unlikely that this "settlement", even if it is achieved, will hold for long. It will be founded on a massive injustice against the Muslims the largest community in Bosnia. If the SDA backs it to the hilt then it is likely that the Islamic fundamentalists will grow in strength amongst the displaced peasant masses and resume armed struggle as soon as it is possible. No peace settlement can be founded upon such a basis of felt wrongs.

Will a Muslim nation emerge in these conditions? This still depends on establishing a contiguous, compact territory as well as a strong and lasting national consciousness. A federation between the Muslims and the Bosnian Croats could certainly lead to the formation of such an area, even if it contained a small minority of Croats.

If capitalist restoration succeeded in Bosnia[41] this would involve the emergence of a Muslim bourgeoisie, the leader of any future nation building project. The development of a national consciousness, on the other hand, is linked to the outcome of the war. A prolonged struggle against the Serbs would strengthen the alliance with the Croats and therefore slow down the formation of a specifically Muslim national identity.[42] The more restricted the war, the less will be the collaboration with the Croats. This would probably strengthen a distinct national consciousness.

National consciousness among the Bosnian Muslims has significantly increased over the last year and a half. A large part of the Muslim leadership orients towards the building of a Muslim state in a compact area in central Bosnia. But they still face major obstacles. Firstly, the evident unviability of the present area they control. Secondly, the strong remnants of a multinational tradition among many Muslims, Serbs, Croats and "Yugoslavs" run counter to the leadership's project. And these forces have a significant presence in parts of the army.

The main problem here is that these forces only have a utopian, bourgeois multinational perspective. In practice

they are incapable of leading a resolute opposition to the plans of the leading SDA figures.

On the contrary, they subordinate themselves to them. Hence, the biggest danger now is that if the war drags on without hope of a decisive victory against the Serbian and Croatian nationalists the progressive forces within the Bosnian masses will become resigned to an ethnic solution.

The Muslim leaders would step forward as "realists" and win approval for the building of a nation state. In sum, the nation building process of the Bosnian-Muslims has made significant advances in the last period but it is neither complete nor irreversible.

The goal of socialists must remain as before— a multinational workers' republic in Bosnia. There is still no objective reason to advance the slogan of an independent Muslim workers' state. Only when a majority of the Muslims clearly embrace the perspective of building of a Bosnian-Muslim nation state should socialists change their point of view.

The present tragedy in Bosnia demonstrates that capitalism and Stalinism are condemned, by their very nature, to promote national chauvinism which in circumstances of the crisis of both can result only in genocidal war.

The real solution lies in the building of revolutionary communist parties throughout the Balkans, resurrecting the legacy of both the revolutionary Social Democratic and Communist movements at the beginning of this century.

The principles that guided their actions also illuminate the path ahead:

"The Conference of the Balkan Communist Federation declares in consequence that nothing but the proletarian revolution and the dictatorship of the proletariat with its organisations of the councils of Workers', Soldiers' and Red Army deputies, will liberate the Balkan nations from all oppression and will afford the possibility of self-determination, uniting them all into one Balkan Socialist Soviet Republic."[43] ●

NOTES

1 Cited in Srecko M. Dzaja, "Bosnien-Herzegowina", in M Weithmann (Hrsg.), *Der ruhelose Balkan*, Munich 1993, p154-5.
2 The Serbs on the other hand fought a heroic but in the end unsuccessful battle against the Ottomans at Amselfeld in 1389.
3 Alojz Ivanisevic, "Das Pulverfasz Bosnien—Zum historischen Hintergrund der gegenwaertigen Tragodie", *Sudosteuropamitteilungen* 3/1993 Munich, p217.
4 In Serbia, however, the propertied classes fled or were wiped out.
5 According to the official statistics there existed in 1899 barely 1,735 factory workers in Serbia. See Mirka Bogdanovic, *The Serbian Labour Movement in the period 1903-1914*, Amsterdam, 1988, p48
6 Sandor Gyimesi, "Motive und Probleme der Industrialisierung in den Staaten Suedosteuropas bis zum Ersten Weltkrieg", *Suedosteuropa-Studie* 42: Industrialisierung und gesellschaftlicher Wandel in Suedosteuropa, Munich, 1989, p13.
7 Ivo Banac, *The national question in Yugoslavia: Origins, History, Politics, New York*, 1992, p367. According to the same author Muslim smallholders represented half of Bosnia's free peasants.
8 This class/confessional antagonism was already manifest in the 1875 uprising by mainly Serbian peasants. It was brutally suppressed by the Ottoman forces and 156,000 people fled abroad. See L.S. Stavrianos, *The Balkans 1815-1914*, Chicago 1963, p64
9 S M Dzaja, op cit, p159
10 I Banac op cit, p366
11 ibid
12 Yugoslav Muslim Organisation
13 E Hoesch, *Geschichte der Balkanlaender*, Munich 1988, p97-104
14 This remained the official name of the state until 1929. Then it was renamed the Kingdom of Yugoslavia.
15 Rodoljub Colakovic, *Kazivanje o jednom pokoljenju*, Zagreb 1964, p137
16 Enver Redzic, "Der Streik der bosnischen Bergarbeiter im Dezember 1920 und das Verbot der Kommunistischen Partei Jugoslawiens", *Oesterreichische Osthefte* 3/1988, p220-226
17 By and large the JMO was able to maintain its hegemony in the elections.
18 This literally means "balance".
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20 ibid, p78-79
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22 L Bryant, *The Betrayal of Bosnia*, London, 1993, p16
23 F Singleton, *Twentieth-Century Yugoslavia*, London, 1976, p221
24 A Ivanisevic op cit, p219
25 H Poulton, *The Balkans: Minorities and States in conflict*, London, 1991, p43
26 F Singleton, op cit p254
27 Branka Magas, *The Destruction of Yugoslavia*, London, 1993, p191
28 H Poulton, op cit, p41
29 For a report by a participant see Lee Bryant, YugoFax, May 1992
30 Therefore they built Party branches in Sandzak and Macedonia. In reality these local SDA units are more or less independent today.
31 H Poulton, op cit, p44
32 "The National Composition of Yugoslavia Population, 1991", *Yugoslav Survey* Vol.XXXIII No1, 1992, Belgrade, p4
33 Also the Bosnian Croatian HDZ was for a longer time divided with a wing around Stepan Klujic who was in favour of a multinational Bosnia-Herzegovina.
34 "Stop the annihilation of the Bosnian Muslims!", *Trotskyist Bulletin* 3, 1993, p16
35 There are still 40, 000 Muslims living around Banja Luka, for example, terrorised by Serbian chauvinists.
36 *The Economist* 4.9.93. One must also differentiate between the peasant refugees and the more multinational urban/working class Muslims
37 *BBC Summary of World Broadcasting*, 18.12.93
38 According to *Nova Bosna*, 1.3.94, a Bosnian Muslim newspaper
39 For example, Izetbegovics speech to army officers on 14.12.93, in *BBC Summary of World Broadcasting*, 18.12.93
40 Arbeiter/InnenStandpunkt (paper of the Austrian section of the LRCI), 56, November 1993
41 For the moment Bosnia-Herzegovina is still, like Serbia and Croatia, a degenerate workers' state.
42 Although a federation with the Croats could lead to national oppression against the Muslims by the Zagreb government and by this route strengthen Muslim national consciousness.
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Brazil's Partido dos Trabalhadores
What kind of a workers' party?

This year is a crucial one in Brazilian politics. If opinion polls are to be believed then Luis Inácio da Silva (Lula), leader of the Partido dos Trabalhadores (PT), may well be elected President. At the start of 1994 Lula was by far the most popular candidate, registering over 30% support. He has spent the years since the 1989 Presidential elections "preparing the party for the assumption of power"[1] by building up support for PT around the country.

The impact of a Lula and PT victory in the continent's largest country would be considerable. Never in Brazil's history has there been a working class party of any kind in power or sharing power, not even a reformist one. It would be a blow to the neo-liberal agenda of the imperialists and the Brazilian bourgeoisie.[2] The region's largest economy—larger than all the East European states combined—would remain out of synch with the prefered plans of the IMF and World Bank.

But it is not only the bosses who would sit up and take notice.

As the PT said at its 8th conference in June 1993: "Victory in 1994 will mean the PT and its experience of government will be a point of reference for the international socialist movement."

The collapse of the ruling Stalinist parties after 1989 in the ex-USSR and East Europe had a heavy ideological impact on hundreds of thousands of workers throughout the world, many of whom had previously identified these oppressive and bureaucratic regimes with "socialism". Meanwhile, the right-wing trajectory of social democracy, under the impact of the neo-liberal offensive offered no alternative to those workers seeking a different model.

Lula's near victory in 1989 tantalisingly offered a new vision; a new model of socialist advance that allegedly avoids the pitfalls of the compromised character of social democracy and the bureaucratic nature Stalinism, a socialism which is both popular and democratic while consciously putting the notion of class struggle at the centre of its political project.

The rise of the PT runs counter to the decline of the left in other Latin American countries in the 1990s and, indeed, to the defeats and retreat of the trade union movement in Brazil itself. In the last year further developments have enhanced the expectations in the radical results of a PT election victory. At its 8th conference in June 1993 it was accepted that "the present leadership has lost its legitimacy"[3] as a result of two or more years of reformist ascendency in the party, centring on the experience of its local government administration. The PT elected a new leadership committed to the "revolutionary socialist character of the PT." The platform of the "Leftwing Option" bloc[4] that won a majority of the delegates' votes forms the PT's new Guiding Principles.

Not since the rise of Popular Unity in Chile in the late 1960s has there been so much hope and expectation in a mass left force in South America.

The stakes and the emotions are high. Brazil's poor and unemployed have increased sharply since the PT was founded in 1979. Since the 1989 election Brazil has suffered three years of recession. repeated austerity plans, further real wage erosion and a growth in unemployment and underemployment.[5] The misery of the urban poor, especially the street children subject to murderous assassination at the hands of the military police and gangsters, has intensified. Brazil long had the worse disparities of social wealth in the western hemisphere. Never has there been such an urgency to tackle the roots of the gross social inequalities thrown up by Brazilian capitalism; never has there been such expectations among tens of millions of urban workers, rural landless and mass of the poor, that a government—*their* government—will set about tackling them in a revolutionary way. But is the PT up to this task?

The short answer is regrettably not. At its foundation and in its early years the loose coalition of radical political forces that went to make up the party, its subjective commitment to revolutionary change and amorphous programme marked out the PT as a *centrist* party, that is one that hovered between reformism and revolution, eclectically combining aspects of the programmes and organisational regimes of both.

The PT's lack of a coherent revolutionary strategy for state power linking the minimal and concrete day to day demands with the goal of a socialist society has given way to a minimum programme (or programmes) and maximum rhetoric; in short, a reformist party and programme. The party itself has been transformed from a shambling coalition

Lula and the party he leads have captured the imagination of millions of workers in Brazil. Keith Harvey assesses whether the PT can live up to their expectations as election victory beckons.

of representatives of the social movements into a reformist political organisation with a distinct bureaucracy that channels and filters out the more radical demands of its supporters.

The experience of running local and city administrations has crystalised a clear right-wing (social democratic) reformist wing of the PT based on some of its local mayors and some of its Congress deputies, as the PT has become more and more a vehicle for winning elections. Lula, with his enormous political prestige, has presided over the taming of the PT and turning it into an essentially electoral vehicle.

In 1979 Brazil echoed to the sound of unusual slogans: "Workers vote for workers! A party without bosses! Vote PT, the rest is bourgeoisie! If we can work, we can lead!" These were the slogans of a new party, of a type unique in the history of Brazil. Brazil's workers had never had a mass political party which openly portrayed itself as a class based organisation. Ever since the 1930s the workers had voted for populist parties. But the massive growth of the Brazilian working class in the 1960s and 1970s gave birth to new trade unions and a new type of trade union leader.

Lula had been politicised in the years after the defeat and break up of the left in the wake of the 1964 army coup; indeed, a large part of the Brazilian industrial working class was a product of the feverish capitalist development in the wake of, and partly as a result of, that defeat. In his early years, Lula was pushed forward by the old trade union bureaucrats, themselves tied to the old populist relations with the state, but he was always far closer and far more responsive to the demands of the rank and file.

The huge explosion of strikes in metal working in Sao Paulo in the 1970s created a movement and an awareness for new forms of political representation. Lula's support for a workers party was a minority one for some time after 1977-78 but eventually found enough support. When the "controlled opening" of the military legalised political parties under strict conditions the stage was set for launching a new party.

A critical take off point was reached early in 1979 when the Ninth Congress of Metalworkers, Mechanics and Electricians—representing more than a million workers—met in São Paulo and voted (despite the resistance of the Communist Party) to form a Workers Party. On May Day the early activists were to be found on the streets distributing the "Statement of Principles".

Nine months later, in February 1980, the PT was launched with only about 300 activists.[6]

At this stage the PT was a centrist party; that is, in an eclectic and contradictory manner, its programme combined elements of a revolutionary and a reformist outlook. This reflected the nature of the original forces that combined to form the party. At the outset about 60% of the PTs members were active trade unionists, often leading rank and file militants or officials like Lula himself.

Lula, today aged 49, came from a poor working class family of North-East Brazil which emigrated to the south to work in the port of Santos and later Sao Paulo.

At 18 he got a job in a machine goods factory. It was only when he was 22, three years after the 1964 military coup, that he took an active interest in the union. By 1972 he secured his first union post in the Metalworkers Union and in 1975 was elected union President.

His rise owed much to patronage from the old guard bureaucracy—he was nominated by the outgoing President! At this stage Lula had never even spoken to a mass meeting. It was the upsurge of 1976-79 that was to prove the strengths and limits of trade unionism to Lula and others like him.

At first, working through the closely supervised system of labour courts and using strikes the workers gained wage increases. But the 1978/79 mass strike wave illustrated to the new union leaders the close collaboration of the government and the bosses to crush strikes and, decisively, the utter lack of support within the traditional Congressional parties for the unions' demands. The idea of a new party to press the claims of the unions at the political level was an obvious step.

But not all the trade union leaders saw things the same way. The growth of the working class and the mass struggles of the 1970s prompted a clear political differentiation within the trade union bureaucracy without which the

formation of the PT would have not been possible.

In 1942, under General Vargas, the unions were institutionalised and regulated by the Labor Ministry under the rubric of the Consolidation of Brazilian Labour Law (CLT); unions were recognised by the state, not by the employers. The ministry collected one day's wages a year from each worker as a tax and used this to run the unions who received 80% of the money. Funds could be frozen by the state if the unions acted contrary to the regime's interests, Naturally, a system of labour courts adjudicated on whether strikes were legal or not. After the 1964 coup the military purged the whole union system of militants and only placed the tried and trusted in positions of power. The difference of outlook between this layer of officials and the ones that emerged in the 1970s was well summed up by Antonio Alves de Almeida, conservative head of the CNTC, who remarked "While leftist unions financed strikes, we bought and constructed buildings."[7]

Brazil's new union radicals wanted a complete break with this system; dubbed the "authentics" they argued for union autonomy from the state, the unrestricted right to strike, direct negotiations between unions and bosses, and shop floor rank and file organisation. This layer eventually grouped their unions into the Central Workers Union (CUT) in 1983 and the old guard founded the General Confederation of Workers (CGT) in response.

To this degree the PT replicated the path mapped out in the 1890s in Britain by the unskilled "new unions" and their differences with the old, skilled, labour aristocratic unions born in the 1840s and 1850s. These new unions came up against the limits of their traditional Liberal Party political leadership to which the labour aristocracy was tied. The Labour Party was born in 1900 as the parliamentary fraction of the new trade union bureaucracy.[8]

Yet the PT was not simply the political expression of this new class struggle oriented trade unionism. One PT document summarises the mixture of influences and ideologies that were built into the foundations of PT in 1979:
"Another innately democratic dimension of the PT is its ideological-cultural pluralism. We are in fact a synthesis of libertarian cultures, united in our diversity. Different currents of democratic and revolutionary thought—Social Christianity, various Marxisms, non-Marxist socialisms, democratic radicalism, secular theories of revolutionary action, etc.—joined together to create the PT . . .The ideology of the party does not unilaterally express any of these sources."[9]

Within this pot pouri of ideas it was nevertheless true that many of the original activists and promoters were members or supporters of the far left—especially those in the centrist Trotskyist tradition.The far left contributed to the marxist and revolutionary aspirations that can be found in the documents of the PT and had a disproportionate influence over policy documents and programmes throughout the 1980s.

In the first couple of years of PT's existence the key concern was building the party organisations on a national scale and involving itself in social struggles. Perhaps nothing was so important as the role elections were to play in the pursuit of working class power and the nature of the PT's participation in the institutions of the capitalist state. As the military regime deepened its process of "controlled opening" between 1982 and 1985 this experience was to be crucial in shaping the PT.

The 1982 election campaign was the first real public test of the PT in that arena. In 1981 the PT argued that "participation in elections and parliamentary activity will be subordinated to the objective of organising the exploited masses and their struggles."[10]

Elsewhere they argued that elections should serve "as a tool in the organisation and mobilisation of workers and the construction of popular power".[11] Elections were understood mainly as a propagandistic campaign by which the party would be able to strengthen its ties with masses; participation in any coalition was ruled out. Elections were considered "an isolated moment" in the march towards socialism and "the electoral process cannot, therefore, serve to divert the party from its programmatic objectives."[12]

Lula stood for the governorship of São Paulo but finished a distant fourth with 10% of the vote.[13] The PT got only one mayor elected, and eight deputies were elected to Congress. More than anything the results tended to underline the magnitude of the work to be done to make PT a national force.

The next electoral milestone was the Presidential election of 1985. The PT refused to stand because the elections were not direct ones, based on a popular vote; rather, the President was to be chosen by an Electoral College made up of Congress deputies. Prefiguring future tensions three PT congress deputies announced they would vote in the college and the Party's executive expelled them.

Between 1982 and 1990 the PT participated in six separate state and federal elections. At first, when the elections were hedged in by many undemocratic safeguards and the PT's electoral success was muted anyway, it was easy enough to continue to portray elections as merely a series of "isolated moments". But as the PT's support broadened, as its success in city and state elections increased, and as the date of the first direct Presidential elections approached (November 1989) elections moved to the centre of the party's political strategy.

In the November 1986 elections PT's vote went from 3% to 7% and from 1.5 million votes to 3.5 million. It now had representatives in half (i.e. 13) of the state legislatures and had federal congress representation from 7 states.[14] Lula received more votes (650,000) than any other Congressman.

The explosive development on the electoral front took place between 1986 and the November 1988 elections. These were years of mounting social struggles against austerity and inflation. There were massive strikes and attacks on these strikes by the state. The PT was closely involved throughout, denouncing the repression and supporting the strikers demands.

This was the background against which the November elections took place and they registered a huge boost in support for PT and a repudiation of the conservative bourgeois parties that had loyally participated in President Sarney's

"transition process" of 1985-88 which, under the name of the Cruzado Plan, brought such misery to the workers.

The PT won 36 mayoralities including the city of São Paulo and won over 1,000 local councillor seats[15] with 28% of the national vote.

By the time Lula narrowly failed to win the Presidential elections a year later the PT was mired in electoralism. As one book sympathetic to the PT stated "The party's *nucleos* were activated and deactivated to the beat of the electoral calendar, which became their driving force. . . . its organic effect upon the PT was irrefutable".[16]

This observation was confirmed by the General Secretary of the PT, Jose Dirceu when asked why the mobilisations against Collor in his first year of office (1990-91) were not massive despite Lula's strong showing in 1989: "I think that the PT bears a great responsibility in this. For months we were practically immobilised and were unable to develop significant political campaigns. This is the result of the repeated electoral campaigning over two years—from Lula's defeat in 1989 to the 1990 legislatives . . . We experienced a crisis in the roles of our political cadres; civic administration has taken up thousands of militants, hundreds of cadres and dozens of national leaders, who were previously involved in leading peasants, workers, students, women's movements and so on. Many of our cadres are today deputies in the parliament, others are municipal councillors—we have 82 deputies, in 21 provinces, 35 in the National Congress and one senator. Our work in the institutions—the parliament, municipal administration or the provincial governments—seems fundamental to us"[17]

Gradual success in this arena shifted the leadership's attitude to parliamentarism. In 1985 Lula did not believe that the right would let the left come to power via the ballot box even in one state and defended the right to use arms to oust the right when they refused to vacate office after an electoral defeat.[18] Perhaps carried away by his own success in 1989 in 1990 Lula argued on the contrary:

"Not long ago, I never would have believed it was possible for the workers to take power through the vote. Today I do. With a little more organisation , the working class can take power in Brazil, and carry out a revolutionary programme. . . "[19]

Given these expectations perhaps it was no surprise when a few months after this interview was given Lula reacted to the terrible PT results in the October 1990 legislative elections by saying that the poor outcome "was the greatest disaster in history."[20]

PT candidates came nowhere near to the levels of support shown for Lula in the Presidential elections a year earlier, and in fact pro-Collor candidates did well. In searching for a reason for the "disaster" the party leadership drew conclusions that deepened its commitment to electoralism and all its consequences.

They accepted the argument that they had suffered a loss of support as a result of the huge upsurge in strikes in the middle of 1990 which were a response to the Collor administration's savage attack on real wages. Whereas in the 1987-88 period the strike wave against the Cruzado Plan benefitted the PT in the 1988 elections, the opposite was true in 1990. The PT's ambivalent stance towards the political value of strikes, towards defence of state ownership of industry, and the fact that the strikes were defeated in 1990, led to a drop in support for the PT.

Once the party defines its strategy in these terms then the next logical step of electoralism when you are in a minority—as the PT often is in the various states and city administrations—is the need for electoral alliances.

In turn this begs the question of what political concessions will be made to secure the alliance. In 1985 the PT rejected coalitions. By the time of the second round of the Presidential elections of 1989 "the programme of the alliance to support Lula for the second round was substantially toned down and modified to incorporate social democratic and populist ideas."[21] This was particularly to be seen in the watered down programme for land reform and foreign debt in order to get the PSDB on board.

The gap dividing "socialist" goals and "immediate" tasks was becoming wider.

A purely negative conception of the capitalist state—whether at local or national level—is not enough to guide revolutionaries. Understanding its repressive character, its class bias is only the beginning of wisdom. One of the key problems of revolutionary strategy in a federal regime is how to conduct the struggle for power when a working class party finds itself in positions of government in parts of the state before the working class has advanced to a situation where the overthrow of the whole state machine is possible.

General Secretary Dirceu summarised the PT's position thus: "We must govern, while developing the class struggle. This is something that the revolutionary left in Latin America has not understood until now."[22]

It was in 1985 elections that the PT won its first significant post—that of mayor of the city of Forteleza.[23] The PT candidate—Maria Luisa Fontenelle—received 35% of the vote, after having won less than 1% three years earlier. The utter ideological confusion of the PT at this stage was illustrated by the course of events over the next three years.

Fontenelle was from the Maoist faction of the PT and, despite resistance from many inside the party and to many people's surprise, she won the office by strong campaigning around the dire social problems of the region. But once in office she and the PT had little idea of how to use the new position to "develop the class struggle". She allowed herself to become a prisoner of the post, resigned herself to the limits of what was "possible".

She then defected to the Brazilian Socialist Party and the PT got a mere 5% of vote in the 1988 elections.

In the very same 1988 elections, the PT secured its greatest electoral victory yet by winning the mayorality of São Paulo. In her campaign Luiza Erundina called for a Leninist "dual power" regime in the city's administration "as a means of preventing a PT government from being imprisoned by existing bourgeois power structures".[24]

This was no personal whim. The Fifth National Conference of PT in December 1987 took the step of defining for



SAO PAULO MAYOR ERUNDINA BEING HAULED AWAY FROM LANDLESS PROTEST

the first time the party's programme for power, that is, the relationship between its day to day activity and the goal of a socialist society. In that programme it called for the radical democratisation of the state. Insisting that the existing institutions of the Brazilian state inhibited the working class from taking or exercising power the PT argued that it was a priority for all PT militants to be involved in the creation of factory commissions and promote popular control of neighbourhoods: "These embryonic forms of proletarian power are schools for self-organisation and workers' political participation which aim at the construction of an effectively democratic socialism, where power is exercised by workers themselves and not in their name."[25]

However, the PT programme also adopted a completely contradictory position which undermined this one, namely:

"at this historic moment . . . there is no possibility of creating a socialist society in Brazil . . . " and thus the party's proposals for the constitution focused on "a package of principles and mechanisms capable of broadening democratic spaces and popular participation in the political process. . ."[26]

Real dual *power*, by its very nature, implies a struggle and a contest for one set of class institutions to overcome the resistance of the other set and achieve a single sovereignty. By definition this contest cannot be institutionalised but is unstable and shakes the whole structure of political power.

The PT recognised the class nature of the institutions of the Brazilian state and its constitution and recognised that "the workers must become a hegemonic class and dominate state power".[27]

But the PT also ruled out in advance that progress towards the *resolution* of dual power was on the agenda, that Brazil was not yet ripe for "socialism", that these institutions of dual power turn out to be little more than organs of popular participation, indeed of *legitimation* of the actions of the organs of local government where real power lay and was destined to stay.

That is why, for example, the PT's main emphasis has been on participation of the people in the budget setting process at city level. It is no surprise then that, five years after these grand designs for dual power were drawn up, the actual experience of local government was more sobering. PT leader Dirceu has admitted that "Neither the union movement nor the popular organisations have a clear conception of the tasks of a democratic government. The unions and the residents' associations do not see our elected representatives as theirs and the latter do not live as if they are the representatives of those sectors."[28]

Moreover, "we have not succeeded in getting the People's Councils off the ground in the town halls, when we have run some of them for two years."[29]

The PT was caught on the horns of a dilemma; whether to use the positions of power, or at least influence, to promote specifically pro-working class policies or to use public office to promote the interests of the citizens in general.

Certainly, the record of the PT has been better than other parties in getting rid of corruption within local administration and making decision-making more transparent.

But it has failed to use the posts to rouse the workers against capitalism and against the federal government. As for Erundina, as her time in office dragged on she became noted for "her conciliatory attitude towards the local bourgeoisie, evident in the deliberately non-sectarian slogan of her government, 'city and government for everyone' and her negotiations with entrepreneurial sectors which were a regular feature of her last year in office, were taken to be a sell-out by the left."[30]

The logic of Erundina's attitude to "public" office was that in a confrontation between her "government" and the working class she would defend the government since, like all reformists, she drew the conclusion that her office represented the the whole people and it must be defended against the "selfish" claims of one part of the people, even if it was the working class part.

So it was when São Paulo's municipal workers went on strike for higher pay in 1989 to protect themselves against spiralling inflation. While professing no money and lots of sympathy Erundina sought to break the strike by trying to maintain services during the strike. This is an unthinkable position for revolutionary elected representatives to put themselves in, who in principle cannot take responsibility for protecting a defective system from the justified resistance of the workers.[31]

The Third International in Lenin's time laid down the revolutionary programme for conduct in local administrations. Its Second Congress insisted that for Comunists

". . . in the local government institutions, it is their duty to take the following measures:

(a) form a revolutionary opposition to fight the bourgeois central authority:

(b) aid the poorer sections of the population in every possible way (economic measures, the organisation or attempted organisation of armed workers' militias etc):

(c) expose at every opportunity, the obstacles which the bourgeois state power places in the way of fundamental social change:

(d) launch a determined campaign to spread revolutionary propaganda, even if it leads to conflict with the state power:

(e) under certain circumstances, replace the local government bodies with Soviet of workers' deputies.

All Communist activity in the local government institutions must be seen as a part of the struggle to break up the capitalist system."[32]

Thus the task of revolutionaries is neither to seek to manage the affairs of public office better than other parties and thereby prove that national state power can be entrusted to them, nor to merely declaim and denounce the evils of the system.

Rather, their task is to use the limited time available to enlarge the base of support for the party. The aim is not to serve one's time out until the next elections. It is vital from the outset to touch the lives of the masses and make a visible difference.

Where such powers existed, the PT should have used local powers of taxation to tax the rich. They should have requisitioned housing from the rich to house the homeless, build homes for the urban poor; set up massive public works to employ the under-employed. The PT could refuse to shoulder the portion of the national debt off-loaded by the federal state onto the local cities. It would be necessary to establish local workers' militia, based on the factories to help protect the city administration and even enforce its decisions against resistance.[33]

Above all else the city council would seek to renew its mandate and seek approval for its decisions by appealing to the workers councils, the factory commissions and neighbourhood groups that the Fifth Conference of the PT paid lip service to.

In this way even a minority PT administration (or even a mayor) could appeal to the workers over the heads of resistance within the council and thus polarise the council structure along class lines. It is easy to see then that the city or state administration could be the starting point for the development of dual power by deepening its roots in the working class and deriving its power increasingly from them, rather than the amorphous citizens of the city or state.

The dual power would not be an artificial one between the local council and the popular organisations but would run through the former as the latter grew.

PT supporters would point to the fact that, when in office after 1988, the federal state and courts obstructed the PT's progressive measures. They refused to allocate funds for low-cost housing projects or free money for health services that São Paulo was owed.

All this and more did happen. But it was precisely when faced with this naked act of class revenge by the bourgeoisie that the PT should have taken direct action to requisition materials for housing, to take over the holiday homes of the rich and place workers' families in them. Such a course would have telescoped the inevitable clash between rival authorities.

The whole experience of *revolutionary* municipalism could touch the lives of millions and show what a workers' government could do if it had real power. Instead, the PT preferred to complain about the unfair practices of the federal state and wait for the next elections, hoping in the meantime that the failure to improve public transport or street rubbish would not rebound upon them when they finally took place.

Lula, and even more so many of the councillors and deputies, drew a very different lesson from the contradictions of holding office, a reformist lesson. Lula quite simply decided that "the establishment of popular councils was not feasible and that it would be preferable to use a variety of organisations representing civil society".[34]

Looking forward to the tasks of First Congress of the PT at the end of 1991 Lula argued:

"In my opinion we must be a lot more pragmatic at this Congress than before, for the PT has the perspective of coming to power in 1994. I think we must formulate our "utopia" on concrete foundations drawn from ten years of experience. We have to consider a socialist project which corresponds to our reality. . . The PT has to stop making proposals for the distant future and put forward solutions for the here and now."[35]

Here we see the whole logic of a centrist project collapsing into reformism. Having failed to establish a practical connection between the goal of socialist revolution and the responsibilities of public office Lula wants the PT to be less ambitious, draw a veil over the socialist goal and concentrate on the art of the possible, determined by the balance of class forces on assuming office.

In a real sign of its reformist degeneration, the PT decided in 1993 that it actually supported the Presidential system of government in Brazil, a system that by its very bonapartist nature is the antithesis of popular power.[36]

Lula, once the scourge of the institutions of the bourgeois state, now seeks to preside over them as its chief guardian.

In its early years the organisational regime of the PT reflected its origins in a series of mass social movements.[37] It did not have a consolidated bureaucratic regime any more than it had a clear programme. In its official documents and statutes the PT espoused rank and file democracy. Final decisions rested with the base units of the PT, not the national leaders, yet once decisions were made

everyone was expected to carry them out. Moreover, in order to inhibit the crystalisation of a layer of privileged and unaccountable deputies, PT candidates who won office had to give 40% of their salary over to the party.

The PT had to operate with a dual structure, imposed upon it by the law on political parties established in 1979 as the first phase of de-militarisation opened. According to the law Party members had to be officially registered, candidates for elections had to be appointed by officers of the party etc. In 1983 the PT even introduced proportional representation in the elections to posts within leading committees.

Hence the PT set up a shadow structure for the militants and activists. It held parallel congresses and assemblies which really deliberated and formal conferences which merely endorsed these decisions. But real power never really lay with the base units—*nucleos*—of the PT. As the party became increasingly a machine for winning elections after 1988, bureaucratisation of the PT evolved steadily.

The material base for bureaucratisation was the emergence of a distinct caste of officials in the trade union federation closely allied to the PT—the CUT. While not privileged to the extent of labour bureaucracies in the imperialist states, the incorporation of the CUT trade unions after 1982 in the process of constitutional rule in Brazil, did transform the union leaders into a more privileged and conservative layer increasingly divorced from their members.

Parallel to this the hundreds and then thousands of office holders in city, state and federal government also emerged as an identifiable layer which had not existed before 1985. Naturally, the experience of their sell-outs in office provoked dissension and opposition within the PT, to them.[38] Equally, it was no suprise that those criticised used the party machine to protect themselves from the consequences of this criticism.

Between 1988 and 1992 a series of measures consolidated a more bureaucratic regime in the PT. First of all the *nucleos* became even less decisive for determining the direction of the PT and the mass assemblies were less authoritative. As one PT observer noted, "In reality, most nuclei have only been really active in the period before an election."[39]

The plenary sessions of the PT and enlarged assemblies, in effect, involved all PT members and sympathisers without any graduated rights to speak and vote with the result that "the final outcome . . . was] only 'deliberative' in nature for consideration by the formal authority."[40]

As the party's mass base became less decisive, less frequent and more inchoate, power became more concentrated in the party apparatus at every level. It was within this machine that the decisive battles of the early 1990s were fought out.

As the left wing critics of the PT deputies and councillors grew in number in the wake of the 1990 electoral set backs the party leaders around the majority faction of Lula decided to hit out at the democratic structures in the PT. In 1992 the PT leadership banned open tendencies within the PT which had their own press as a measure to silence left critics of the reformist tendencies.

Two groups were expelled—one of them being Socialist Convergence (supporters of the LIT) which "had the effect of strengthening the leadership of the party, and of making it able to direct the disparate elements of such an unwieldy machine".[41]

Michael Lowy has said that the PT represents "an almost unprecedented attempt to go beyond—within the framework of a mass organisation—the usual models of politics within the workers' movement: neo-Keynesian reformism, parliamentary cretinism, bureaucratic centralism, doctrinaire sectarianism, apparatus substitutionism."[42]

Yet the experience of electoralism, the emergence of a parliamentary caste and the bureaucratisation of the party machine has naturally had its effect upon the PT's programme and ideology which increasingly expressed the aims of this caste and this machine.

The PT has always insisted that it is not reformist. Is this true?

PT statements are littered with clear anti-capitalist indictments, proclamations of the need for socialism and even that the existing framework of the political institutions must be ended. Thus a circular from the National Directory issued to Congress during the debate around the new constitution in 1985, argued that:

"The PT, as party that supports socialism, is by nature opposed to the bourgeois order, the foundation of capitalism".[43]

The Fifth National party Conference in December 1987 defined for the first time what it meany by socialism and how it would be implemented. It argued "there is no historical example of a class that has transformed society without placing political power—the State —at its service."[44]

But the essence of reformism is not whether or not a party is "anti-capitalist" but the precise nature of the institutions that are needed to place political power in working class hands, the exact limits to the use of the democracy of the existing bourgeois institutions and especially what role the armed forces will play in the process.

At the social and economic level the question is decided by the attitude the party takes towards the expropriation of private property in the main means of production, industry and finance.

Judged from this perspective the PT has a left reformist programme; *reformist* because it sees working class power as essentially coming through the broadening of democracy within the existing institutional framework of the Brazilian state; *left*, because it ascribes a central role to non-constitutional mass movements in society in pressurising for radical political reform and social change:

"Our project of social transformation will work only if it is supported by a solid and self-organised base of the exploited and the oppressed. To achieve a true and substantive democracy we will have to set up workers' councils and consult constantly and directly with the people."[45]

Or again, "To defeat those sections which now hold economic power will demand combined action by the government and its allies, especially in the union movement. . ."

But, crucially, the role of the mass movement is not to take and wield power for itself:

The USFI tails the reformism of the PT

The United Secretariat of the Fourth International's (USFI) members in the PT say that the PT is "the only political and social force capable of offering a genuine solution to the country's current crisis."[1]

João Machado (USFI) says that "the advances already made by the Party and the hope which it offers for the mass movement in Brazil far outweigh any reversals or defeats."

This assessment came after reviewing the results of the 8th national conference of the PT in June 1993. There the Left Wing Option bloc received the support of a majority of delegates for its platform for the PT. The USFI was a leading component of this bloc.

The USFI says the conference "ratified an explicitly class struggle, democratic and popular orientation for the party."

João Machado admits that the the PT programme (which the USFI advocated be adopted) is not socialist and the votes for Lula will not be for socialism. Rather, they will be votes "for a real change without the masses having a specific end in mind". In an astonishing admission of how far they are from the method of transitional demands that lie at the core of Trotskyism Machado states,

"Our role is to propose a programme which takes the basic needs of the population as its starting point, then sets out socialist ideas."[2]

Far from criticising the dangers of the traditional reformist divisions between the minimum (day to day reforms) and the maximum programme, the role of the USFI is to cover it up and even give a "marxist" explanation for this advance.

At the heart of this right centrist cover-up is a deliberate confusion over the relationship between the gradual elimination of the role of the market in the transition to socialism under a workers' state and reforms under capitalism which impinge on the operation of the market.

The USFI members say that since nationalisation has been discredited since the collapse of Stalinism,

"we have to approach the question of the transition to socialism in a different and innovative way—something in which until now we have made little progress."

But this does not hold Machado back.

"We will not be able to get rid of the market in the foreseeable future. . . . However, we can and must establish control over and limits upon the free play of the market."[3]

In between neo-liberalism and a bureaucratic state there lies a third alternative way to run the economy—"that of the population itself choosing alternatives".

He advocates, as does the PT, that the party and government build upon the experience of local government, especially their popular participation in drawing up of city budgets. It would be possible, for example, to televise the Budgetary Commission of Congress; greater decentralisation of spending decisions to the community could be made.

At the workplace level this process would build on existing examples in the car industry;

"What is most interesting about the Sectoral Chamber is that by negotiating over prices, salaries and jobs, the workers can formulate a proposal for organising production, evaluating costs, investment priorities and so forth.

Combined with a discussion of the all-round economic priorities of the population, under the auspices of a popular democratic government this would result in pressure on and control over the capitalists."[4]

Apparently, "without doubt, this is a revolutionary path—the changing of the economy based on a radical democratisation of society."

This centrist attempt to reconcile the gap that divides Marxism and PT reformism is classic of USFI. A system of genuine workers' control has got nothing to do with the Sectoral Chamber in the car industry. It is not a question of formulating proposals to throw into a broader discussion that may result in pressure being brought on the capitalists.

The encroachment by workers on the logic of profit will be made by imposing shorter hours, a veto over hiring and firing. Throughout the world workers' representatives sit with employers on boards to "evaluate costs", usually to prove the need for speed-ups, pay cuts and jobs losses.

"Our conception is compatible with the Marxist vision of the process of building socialism. In the long term it will eliminate regulation by the market and the State will wither away as it reabsorbed by society. It is also more adapted to the PTs project for socialism."[5]

The left wing of the social democratic Socialist Party of Chile was more "Marxist" than the "Trotskyists" of the USFI when they wrote during the Popular Unity government:

"One can't talk of building socialism without taking power, and that in turn implies destruction of the bourgeois state and construction of a new one—a workers' socialist state which will begin withering away as the building of socialism proceeds . . . "[6]

According to the USFI in Brazil the revolutionary path —hitherto undiscovered by any Marxist this century— involves popular involvement in budget setting and monitoring the activities of the government from below. In this scenario the market and the state will be forced to wither away by popular control encroaching upon the operation of capitalist wealth.

On the contrary, the revolutionary path to socialism and the abolition of the market for labour power and the key means of production first has to get over the small obstacle of smashing the capitalist state by deploying the force of a workers' state (or semi-state).

The USFI forget that if a "popular democratic government" encroaches on the free market in a way that is likely to make a difference to the lives of millions of Brazil's poor then the bosses will use their state (army, military police) to offset this encroachment.

The "revolutionary path" does not consist of an uninterrupted, smooth ascent signposted "deepening of democracy". It involves a radical discontinuity and revolutionary leap to the other side of a chasm that divides the capitalist state from the transition to socialism. The USFI's role in the PT is to give left cover for a reformist practice. ●

1 *International Viewpoint* (IV) #239 23 November 1992
2 ibid
3 IV #251, December 1993, p12
4 ibid
5 ibid, p13
6 ibid, p14
7 ibid, p15
8 G Smirnow *The Revolution Disarmed*, New York, 1979, p125

"The PT is committed to preserving the role played by the organisations of civil society in keeping the government on its toes. . . Those who vote people into office should not simply relinquish power to them but remain watchful, suspicious, and critical. It is most important that a revolutionary government not co-opt its organisations and thereby deprive them of their primordial watch-dog function."[46]

The PDG will only seek to consult with popular organisations and keep them informed and involved, to lean on them to act against the enemy. These forms of working class organisation, education and participation and struggle are not to be organs of working class *power*.

At the heart of this reformist conception is the PT's notion of "democracy" and it's relationship to working class power and socialism. The 1990 political programme sums up their position:

"The PT understands that, in the transformation of Brazilian society, democracy should be defended and assumed as a strategic value. . . [The PT] believes democracy, understood as the wide aggregate of citizens' rights to political participation and representation, cannot be seen as a bourgeois value, incorporated by the workers' movement."

The Party proposes that "democracy became a universal ideal when it was taken by the working class from the hands of the bourgeoisie, and made a conquest of humanity."[47]

This thoroughly reformist and abstract conception of "democracy"[48] crippled the Popular Unity government in Chile twenty five years ago. A systematic comparison of the positions put forward by the Chilean left and those of the PT is particularly useful to understand the extent of the problems faced by the Brazilian workers.

Reviewing the lessons after the Pinochet coup one of the Socialist Party leaders said,

"The popular government put into practice a policy which reflected the idealization of democracy as something outside the class struggle dialectic, and which envisaged the possibility of separating the state apparatus created by Chilean society under bourgeois rule from the material and political interests that forged that apparatus."[49]

The idea that the existing state machine—including its legislative apparatus—is neutral as to which class is in possession of it under capitalism, is the most purblind illusion of all. Again, the Chilean Socialist Party left-wing were clearer:

"Every state sector of which we can take control is important, so long as we don't lose sight of our central objective, which is liquidation of the bourgeois state. That enormous bureaucratic machine is useless in every way for the construction of socialism. "[50]

How different this is to the PT talk of working within the institutions of the state without being prisoners of it. The dangers of this false naivety is never clearer than in the PT's attitude to the armed power in the state.

The PT has only this to say on the matter, namely, that they favour "Democratisation of the armed forces and struggle against the ideology of 'national security' "

If a PT-led popular democratic government meets resistance, sabotage and illegal actions?

"We will only be able to confront any destabilisation if we base our governability in the ability to execute our programme with popular support, with coherence, with clarity. . ."

"We will break the resistance of the dominant class by combining action by our government, our Party and allied forces with independent workers' action. We will not hesitate to give support to large popular mobilisations, measures which democratise to their roots the mass media, full and intense diplomatic activity . . and also legal action."

While the PT favours diplomatic activity it certainly does not accept that the working class must be the armed power in the popular democratic government, because this would be "insurrectionist".

Indeed, after many years of discussion, at its First Party Congress in November 1991, the PT explicitly rejected the dictatorship of the proletariat.

By renouncing in advance the ruthless suppression of the class enemy by the workers the PT threw a lifeline to the Brazilian bourgeoisie and reassured them that the PT was mired in the same illusion that led to the crushing of the Chilean workers; namely, that the Brazilian army can be trusted to act loyally for a PT government if democratically elected.

The left wing of the Chilean SP in May 1971 noted that the "destruction of the bourgeois state apparatus, and socialisation of the means of production must inevitably pass through an armed confrontation between the classes to repress reactionary and bourgeois sedition."[51]

Once the Chilean bourgeoisie lost badly in the March 1973 elections the bourgeoisie gave up on recovering the constitutional mechanisms to control the government and moved to prepare the coup.

One of the great weaknesses of the left in PU was that traditionally, after 1933, the Chilean military had not played a major role in politics compared to the rest of Latin America. The myth of the army's "professionalism" thus arose and deceived the left. Given the experience of 1964 there is no excuse for the Brazilian left to think this.[52]

Matters do not improve when the PT moves away from the realm of radical political democracy to the social programme. In the PT programme of 1990 we find:

" . . what socialism? What society, what state are we struggling with so much effort to build? . . . It is as useless to emphasise the magnitude of this historic task as it is to theoretically and practically respond to such questions. . . .The workers must transform themselves into a hegemonic class in civil society and the state. Other aspects of our socialist project are open challenges, to which it would be presumptuous and incorrect to claim we can give any immediate answers."[53]

This is a blank cheque. Once "state power" is achieved the social programme of the popular democratic government will have to be defined in the light of what the PT finds when in office.

On the one hand we find in the 1993 programme: "the

bourgeoisie must be defeated and submit to the redistribution of income and the elimination of poverty."

Yet at the same time: "the speed of application of the PDP will be defined by the correlation of forces and in particular the level of popular mobilisation and self-organisation."[54]

Over the last ten years the reformist content of the PT's programme has been in the ascendency over its centrist rhetoric. The latter is increasingly the outcome of the far left's influence in certain layers of the party machine and base units reflecting the hopes and aspirations of millions of the poorest in Brazil, while the former is the codified practice of the elected representatives and key party leaders as the PT has "matured" into an electoral machine.

But even if the PT really can be said to be won to a practical programme that corresponds to its most left-sounding rhetoric then history has already given its verdict on this path of confrontation. In combat with Leninism others, from the Austro-marxists to the later Gramsci, tried to follow the path to power that Lula now treads.

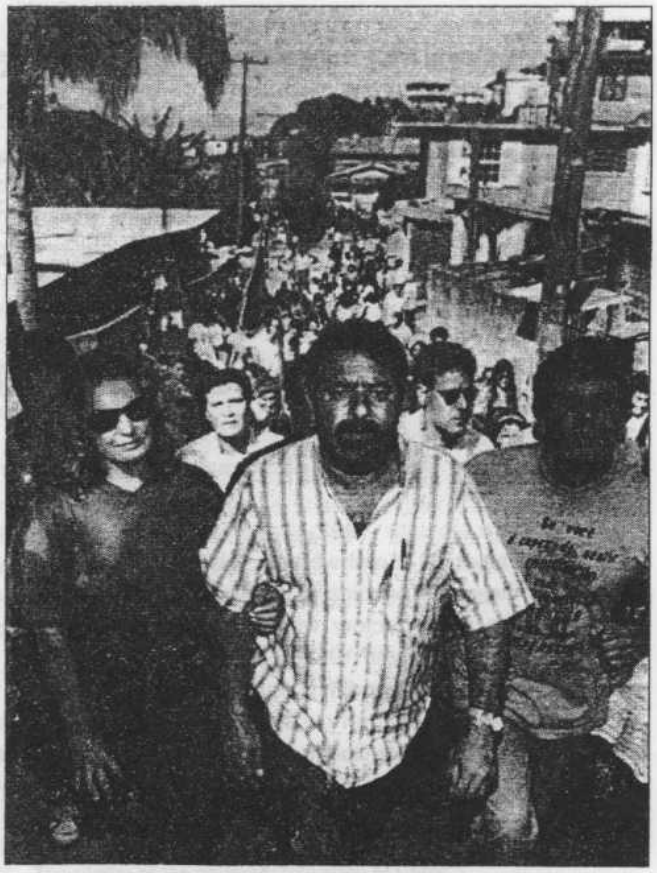
Some have sought to marry the democratic virtues of conflicting forms of state power (parliament and councils) in the hope of cancelling out their supposed respective defects. Others, long before Lula, have devised schemes for harnessing the extra-parliamentary energy and organisations of the popular masses to the "institutional" struggle from within. At worst it leads to the debilitation of the struggle of the masses, at best it leads to self-limiting dual power and then tragic results.

In the run off for the 1989 Presidential elections Fernando Collor polled 35 million votes to Lula's 31 million.[55] Naturally, his promise of "clean government" (very important in attracting many rural and interior votes) was a fraud. Collor was just one more sharp-suited glitzy crook. On 16 March (the day after Collor's inauguration), his New Brazil Plan froze bank assets.

The result was that his first month of office saw a 14% increase in unemployment in São Paulo alone. By the end of 1990 inflation was 20% a month and GNP had fallen by 4.6% in a year—including a 12% drop in industrial output, the worse drop since 1947.

The Collor recession of 1990/1991 was in part induced to break the CUT's rising influence. Support and membership of the CUT had been growing up to the end of 1989, over its rival, the CGT.[56] Attacks on the workers' wages and jobs came thick and fast during 1990-92 and the CUT, by and large, suffered a series of defeats.

In the face of this CUT militants needed political answers. For example, to Collor's charge, that by defending their jobs in state industries they were guilty of the old corporatism and corruption that was at the heart of Brazil's malaise and which he was attempting to correct. But at this critical time, "the correct preoccupation of the PT that unions should be autonomous resulted in it maintaining a neutrality before the obstacles faced by the union movement, and absolving itself, in large part, from working out a policy to guide the PT's militants."[57]



LULA ON THE CAMPAIGN TRAIL, 1994

The PT's deliberate renunciation of "vanguardism" thus led to a crippling weakness in the Brazilian left's response to the Collor neo-liberal programme as did its inability to resolutely defend state control and nationalisation, even under capitalism.

One-sidedly reacting to the defects of "bureaucratic socialism" after 1989, the PT was increasingly disavowing a clear commitment to state ownership of industry, which left it and the CUT defenseless in the wake of Collor's attacks.

The PT took the lead in bringing to the surface the Collor administration's own internal crisis in early 1992. In May the PT called for an investigation commission and joined forces with other parties to get one. In July the leadership of the PT called for Collor's resignation. But this opened a debate in the PT between those who wanted the action against Collor to be confined to parliament and the call for new elections and others who wanted mass mobilisations to force early elections for a new President.

As the campaign for Collor's impeachment gathered momentum during 1992, the PT's programme, which separated out the fight for radical democracy and for social change, inevitably led to a failure to unite the struggle to indict Collor with resistance to the economic programme of his government. As the year went on these questions diverged more and more.

This is reflected in the fact that there were no big strikes during 1992 outside of urban public transport.

The mass movement against Collor was organised by CUT as the Movement for Ethics in Politics. The mobilisations "reflected indignation against corruption more than they did

Lula: "a man of the moderate left whom any West European democracy would recognise"
***The Economist*, 12 March 1994**

rejection of the neo-liberal programme or the economic policy".[58]

Worse, in late 1992 the union elections at Vota Redonda, amongst metal workers, were won by the enterprise management candidates around a privatisation plan; this was the same factory where workers led the militant resistance to austerity in 1988 and occupied their plant for a month before being bloodily suppressed.

Instead of being an occasion for further advance the enforced resignation of Collor at the end of 1992 only led to a new crisis within the PT over how to react to the new Itamar government which replaced him.[59]

Since 1990 the PT has been internally riven as a result of experience of local government—increasingly, leftist positions were adopted and then ignored in practice by its representatives. Now Collor's downfall and the formation of a new government around Itamar sharpened this again.

The majority (Lula) current—Articulação—split, a majority combining with left wing currents to form a new majority within the leadership bodies. But would the deputies and mayors obey the decisions? Four positions were presented within the PT in response to the new administration.

Luiza Erundina and some other deputies led the right-wing which wanted to join the government and influence it from within. The "independence" position insisted on no participation in government but sought to ensure stable government through responsible opposition to Itamar.

Lula and the main party leaders led the third camp, a variation of the second. He wanted no participation, but also more vigorous opposition to the government around clearly defined issues but without contributing to the downfall of Itamar. Finally, the left[60] argued that the PT should not concern itself with ensuring "governability" and should do its utmost to stop sympathisers of the PT, like Walter Barelli going into government—

Originally, the NEC voted for Lula's position but later voted narrowly for the left wing position. The right tried to get that overturned and then Erudina joined the government anyway for which she was merely suspended from PT for a year in February 1993.

As the Presidential elections came onto the horizon, the party was increasingly polarising with the centre around Lula more and more dedicated to a reformist campaign while seeking to distance himself from the naked opportunism of the right wing, which sought to join a national unity government dominated by open bourgeois parties.

On 3 October 1994 Lula will make his second attempt to become President of Brazil as a PT candidate. So far ahead in the polls at the turn of the year one business magazine noted that his election "looks like an historical inevitability"[61]

But far from putting a revolutionary action programme before the exploited and oppressed masses of Brazil Lula will, in classic reformist fashion, only put the immediate or minimal programme, in the hope of garnering the broadest support possible, including sections of the bourgeoisie for the necessary majority.

So at its January 1994 Executive meeting, the PT approved a draft manifesto for a party platform to be adopted in April 1994 for the start of the Lula campaign.

Its component parts were: a foreign debt moratorium; a negotiated reduction of the costs of domestic debt service; restructuring of the banking industry to make credit cheaper; a crackdown on cartels and oligopolies; the revocation of all privatisations of the past three years; the strengthening of "strategic" parts of public sector industry; agrarian reform; and greater labour influence in national economic policy.

Far from being a programme to end exploitation and oppression and establish working class power, one business review noted "There is nothing very new here and none of these ideas is the exclusive property of the PT."[62]

Indeed, so tame is this manifesto that the same article concluded that Lula may well be the least worst choice for President given the eruption during 1993 of yet another corruption scandal over the Congressional federal budget.

The fact that PT's leaders have no record of stealing is being seen as a great qualification for the business community. Still, the Brazilian bosses will not choose Lula and the PT as their preferred candidate.

It is a party that has built up many expectations among the masses in the possibility of real and lasting social change under its rule; but the bourgeoisie do recognise something real in the fact that the PT has considerably widened the gap between its maximum and minimum programmes since the 1989 election and as the same review commented:
"The PT will certainly have to be beaten into shape by reality. But that may be said of any party which wins the highest office for the first time."[63]

Moreover, the PT manifesto could in the course of the campaign be watered down even more as the PT seeks to build coalitions for office or even for the second round run off. Already it has been said that a deal could be done between the PT and the PSDB.

The former would agree to the economic programme of the PSDB current finance minister, Cardoso, in return for PSDB support for a suspension of the present review of the constitution, which is opposed by PT since it may attack social guarantees and remove restrictions on the role of foreign capital in the economy.

The PT became very soon after its formation in 1979-80 a *mass* centrist party and reflected all the moods

and surges forward and backward of the trade unions and social movements in Brazil. But in the transition to constitutional democracy after 1982, and especially under the pressure of local government power after 1988, the PT adopted a reformist programme that expressed the dominant outlook of this elected layer. In the early 1990s the party machine has been significantly bureaucratised to protect these "conquests" from attack from below.

Throughout the early1980s all those committed to revolution in Brazil should have fought within the PT to steer it towards revolutionary intransigence and away from centrist confusion.

Now it is impossible for the PT to evolve in revolutionary direction without a split from top to bottom. The revolutionaries should still clam their pace inside the PT. They should fight the consolidation of the reformists; they should certainly call on all workers to vote for the PT in the forthcoming elections. The PT needs to be put to the test of office and the mass base of the PT needs to be organised. The masses have many illusions in the possibilities that could be opened up by a PT government or even a Lula Presidency.

And not only they. Despite all this evidence of lowered ambitions and modest social and political goals, the supporters across Latin America of Partido dos Trabalhadores consider that it is a unique new starting point for the Latin American left. Indeed, the PT is the ideological reference point for the so-called "new left" launched under the name of the São Paulo Forum in 1990. Unfortunately there is nothing new about the PTs leftism.

This branch of left reformism has bene tried and found wanting with tragic costs in Italy during 1920, Austria in the 1920s and 1930s, to Chile in the 1970s. The Partido dos Trabalhadores is a reformist party and as such will use the institutions of the bourgeois state it reviled fifteen years ago against the workers in any decisive conflicts, just as a PT mayor did in São Paulo in 1988. The Brazilian workers have still to build their own genuine, revolutionary, workers' party. ●

NOTES

1 E Sader & K Silverstein, *Without fear of being happy*, London, 1993, p157
2 When it looked as though Lula might win in 1989 the Brazilian ruling class panicked; one leading industrialist announced that "800,000 businessmen will leave Brazil if Lula wins."
3 International Viewpoint #251 December 1993, p6
4 Leftwing Option is made up of four groupings: Articulação-Hour of truth current (18% of 518 delegates); Socialist Democracy (USFI supporters in the PT); a current around Vladimir Pereira (head of PT's parliamentary group); Socialist Orientation current.
5 President Collor induced a slump by his shock economic measures when he took office in March 1990. In 1991 unemployment in industry rose by 10% and real wages fell by 13%; half a million workers lost their jobs in São Paulo alone
6 Around 750 attended the founding conference in São Paulo and 101 signed the founding document which stated "The PT is born of the will for the political independence of the workers, who are tired of being putty in the hands of politicians and parties committed to the maintenance of the current economic, social and political order . . ."
7 Cited in E Sader & K Silverstein op cit, p52. The authors state that "the labor bureaucracy established by the CLT provided thousands of sinecures. One observer explained that mainstream union leaders had a vested interest in maintaining the status quo as the system 'permitted an immense contingent of officials spread among the 4,672 unions, 159 federations and 21 confederations to have a modest, but assured career.' " p38
8 M Lowy argues more narrowly that "the example it [PT] most closely approaches would be the Independent Labour Party, the first English workers Party, formed in 1893 by a group of combative union leaders, socialist militants (including some Marxists), and Christian leftists . . ." M Lowy, op cit, p454
9 "Our socialism" op cit, p265
10 PT Manifesto, 1981
11 Sader and Silverstein, op cit, p79
12 ibid, p80.
13 PT obtained 3.1% of the share of the national vote and 73% of PT's national vote was cast in São Paulo. The vast interior of Brazil was largely untouched by the influence of the PT at this stage.
14 PT had 18 deputies in Congress out of a total of 570 as a result of these 1986 elections.
15 PT won only 19 in 1985.
16 Sader and Silverstein, op cit, p84. According to the authors one episode "helped accelerate the party's explicit commitment to electoral politics." PT members raided a bank in Bahia. Lula expelled them and denounced all and any armed actions; this troubled the far left because they saw in it an increasing commitment to exclusively institutionalised forms of struggle.
17 International Viewpoint (IV) #203 1.4.91
18 See Lula interview from 1985, ibid, p100
19 Lula interview, August 1990, ibid, p166
20 Quoted in the weekly review Veja, reprinted in *Infobrazil*, October 1990.
21 M H Moreira Alves, "Brazil's Partido dos Trabalhadores", in *The Latin American Left; from the fall of Allende to perestroika.*, p240.
22 IV #203
23 The capital of the north-eastern state of Ceará.
24 Sader and Silverstein, op cit, p98
25 ibid, p91-92
26 ibid.
27 ibid, p94
28 ibid. In the Presidential elections of 1989 Lula only received a disappointing 36% of the votes in São Paulo compared to Collor who got 50.1%. Lula blamed this result partly on the record of the PT mayor; " Here our people had to justify the bus, the holes in the street, the trash."
29 ibid.
30 Rachel Crossley, *The Brazilian Workers' Party 1985-89* unpublished M.A. , London, 1993, p47
31 The contradictory evolution of PT towards reformism can be seen in the opposite example of the Santos city government, headed by a PT mayor. he supported the port workers' fight against redundancies in 1991 and helped beat Collor's privatisation plan.
32 "Theses on the Communist party and Parliamentarism", in *Proceedings and Documents of the Second Congress, 1920*,New York 1991, p474-75
33 Militias would also be necessary to counteract the military police who are the prime agency for killing street children and who will be used against the left if necessary.
34 R Crossley, op cit, p32
35 Interview with Lula, February 1991, inIV#208 10/6/91
36 It was this decision that precipitated a split in the Lula leadership faction, Articulao, and led to a realignment around a left majority at the June 1993 conference.
37 In 1989 PT had 400,000 registered members, one million *militantes* and 4 million sympathisers, representing different degrees of activity and commitment. This figure has no doubt increased.
38 One writer has said "The vertical 'top-down' tension between PT members elected to public office and the rank and file has generally been much more problematic than the horizontal left-right factional divisions." R Crossley, op cit, p8
39 ibid p13
40 ibid
41 ibid
42 Lowy, p464
43 Sader and Silverstein, op cit, p94
44 ibid
45 (PT's Guiding Principles June 1993, IV p18)
46 Sader and Silverstein, op cit, p244
47 ibid, p107
48 Among the specific political reforms the PT will promote are: strict proportionality in voting; rejection of voting thresholds;

election by party lists; access to mass media; anti-corruption measures. All these are supportable but they do not give the working class state power!

49 G Smirnow, *The Revolution Disarmed, Chile 1970-73*, New York, 1979, p129

50 Political Document of the Socialist Party Santiago regional district, cited in G Smirnow, ibid, p125.

51 ibid, p15

52 Already there are clear signs that the business class and the army are consulting each other about their intervention. In October 1993 some leading Brazilian capitalists tried to persuade Itamar to follow the example of Peru's Fujicoup and close down Congress. Itamar declined. Then a meeting took place between 100 businessmen and former deputy army chief of staff, General Glauber Vieira, urging the military to intervene to form a "new republic"; he told them "we are not blind or deaf and our silence might not last much longer." Such a coup—ostensibly against government corruption—would of course, be an ideal pre-emptive strike against a possible PT victory later this year, or a warning to Lula about the limits of his power.

53 Sader and Silverstein, op cit, p269-70

54 IV203. In fact the speed and content of the social reforms will be as much if not more decided by the nature of the alliances that the PT strikes with other parties than the pressure from popular organisations. For the PT has insisted that they are in favour of alliances with sectors of the bourgeoisie— the famous non-monopoly sectors. Of course, contradictions exist between sections of the bourgeoisie; The elimination of monopolies and cartels can open fields of growth and dynamism for the small and medium capitalists. But this contradiction is only a secondary one which is subordinated in the face of a genuine revolutionary movement which threatens their existence as a class.

55 For the first time the results showed that PT made inroads into the North-East peasantry.

56 Only about 30% of workers are in trade unions.

57 Dirceu, op cit. Another commentator and PT activist in Rio said "there are no formal mechanisms for moulding militancy in the social movement to the positions of the party. The influence is form the grass roots to the PT and not the other way around. . . They represent their social movements within the PT but have no disciplinary mechanisms built into their militancy in the grass roots."

58 E Sader and K Silverstein, op cit.

59 Franco Itamar was Collor's Vice-President and merely stepped into his shoes without a new election.

60 A bloc of Socialist Democracy (USFI supporters); the left wing of Articulação and the *Na Luta* bloc.

61 *Brazil Watch*, 6-20 December 1993, p7

62 *Brazil Watch*, ibid p8

63 ibid

Congress Militant and the ANC

Waiting for the inevitable

The first General Election in which the black population of South Africa can vote has seen the vast majority flock to the side of the ANC. Lesley Day argues it was wrong for the left to follow them.

Six years from the end of the twentieth century, South Africa became a bourgeois democracy. The black population get the right to vote in the first elections under universal suffrage, becoming real citizens of the state in which they live. It has taken decades of struggle and sacrifice to overthrow apartheid.

The working class worldwide, indeed all sincere democrats, must rejoice at the final overthrow of a political system based on racial inequality. But revolutionary Marxists must also say clearly and without hesitation that the nature of the political settlement agreed between the ANC and De Klerk's National Party will preserve the social and economic content of racial inequality for the vast majority of South Africa's population.

This settlement reveals the extent to which the South African bourgeoisie has succeeded in preserving its property, wealth and even political privileges. And it is these privileges that will make it "impossible" or "premature" for a Mandela government to make any radical changes in the starvation wages, the chronic unemployment, the squalor of the townships, the lack of decent health care and education.

The new constitution provides for guaranteed power sharing with the tiny white minority. The constitution curtails the power of parliament—preventing it acting as a sovereign constituent assembly. It protects capitalist property and employers' power in a Bill of Rights and it guarantees the position of existing senior bureaucrats.

The big South African business monopolies have every reason to be pleased. Ten years ago they were on the defensive. A stream of mass strikes, boycotts and demonstrations rocked the regime. The Transvaal General Strike of late 1984 united unions and townships in action. The union federation COSATU was formed in December 1985. The May day strike and the 16 June 1986 protest on the anniversary of the Soweto uprising all forced the apartheid state to fight for its very life.

A string of "reforms" after 1982 had failed to stabilise the National Party government's rule. The 1983 constitutional reforms, rather than appeasing and dividing the black masses, spurred them to greater mass action aimed at bringing the regime down. The white rulers themselves were increasingly divided in the face of this tide of revolt. The government was paralysed as it faced the competing demands of the reform and anti-reform wings of the white minority.

The possibilities lodged in this revolutionary situation were enormous. With a revolutionary working class leadership, white minority rule could have been smashed. Not only black majority rule free of any undemocratic concessions to white power, but a workers' government was within reach, a government that could have gone on to expropriate the major capitalist farms and the key industrial and mining monopolies.

But the tide turned. Repression played a major part; the unrelieved brutalisation of the townships told on the masses. But this was not the main reason. The fact is that the revolutionary democratic advance succumbed to a process of democratic counter-revolution. Instead of pressing home the fight, the ANC used the mass movement to enter into negotiations with the regime.

They thereby allowed Botha and then De Klerk to stabilise the political situation. The increasing bureaucratisation of COSATU, the inducements and pressure of imperialist states on the ANC and the government, contributed to a controlled demobilisation. The ANC went from a strategy of "ungovernability" to one of "responsible opposition" and finally proclaimed themselves "partners in transition". After the elections they will be entrusted with the trappings of high office.

This development was foreseeable. We foresaw it. Starting from the political character of the ANC and its Freedom Charter we have predicted the course of events since 1986. In "Apartheid—From Resistance to Revolution" published in June 1986 we stated:

"The demands of the [Freedom] Charter do not aim to break the power of the capitalists and establish a



socialist state in South Africa, rather their purpose is to establish a black capitalist class alongside the white capitalists . . . For all their talk of uninterrupted revolution this is the programme the SACP endorses and fights for."[1]

We observed the first beginnings of contacts with the regime and said plainly that this gave evidence of "the ANC leaders' appetite for a counter-revolutionary deal with sections of the bourgeoisie". We warned:

"If this strategy is victorious inside the black trade unions and opposition movement, it could tie the working class into a fatal alliance with their present exploiters. In this way the ANC/SACP, for all their talk of destroying 'apartheid capitalism', could actually abort the South African revolution."[2]

At that time various sections of the international and South African left laughed at this prediction. Obviously, the supporters of the ANC/SACP insisted that we slandered them; in their defence they emphasised the "uninterrupted" process of revolution that would begin with the complete destruction of white rule and the grip of the "transnational monopolies" and would develop through mass struggle to the creation of socialism.

The problem with this strategy is that the process of revolution is always being "interrupted" by real social forces, by parties and leaderships. It is not a purely objective process, guaranteed to succeed because of the spontaneity of the masses.

It is therefore no surprise that the selfsame forces who could not foresee the inevitabile treachery of the leaders of the ANC/SACP and COSATU, are now unable to see or fight the democratic counter-revolution when it stares them in the face.

The left and working class organisations have as yet to develop a programme—strategy and tactics—to rally the South African working class against this betrayal. The beginning of wisdom is to state what is; that this settlement is a betrayal of counter-revolutionary proportions. An ANC/coalition government will act with the banks and industry to subdue workers' demands for radical social change in order to reverse the flight of capital from the country and restore the profits of the multinationals.

Given the agreement between the opponents of apartheid (ANC) and its architects (National Party) on what is to be South African capitalism's future, revolutionaries have to make the working class conscious of its own separate class interests from the other forces gathered under the ANC umbrella, without separating themselves for a moment from the struggles of the masses.

It is here that Militant's supporters in the ANC fall down. The Marxist Workers' Tendency (MWT) publish the paper *Congress Militant*. Over the last decade the MWT has pursued an orientation to the ANC that has centred on bringing the latter to power at all costs, regardless of its nature or the political circumstances.

For the MWT the South African revolution had to pass through the stage of an ANC government. Any real development of the class struggle that threatened this had to be opposed in the name of this schema.

The reason for this was relatively simple, if totally wrong. For the MWT, "apartheid and capitalism are inseparably bound together"[3] and as a result it would be impossible for the ANC to negotiate with the capitalists and the National Party to reform apartheid away while leaving capitalism intact. Thus they wrote:

"it would be impossible for talks to succeed . . . even if the ANC leadership, on the one hand, and the SA regime on the other wished to achieve a negotiated settlement with each other . . . because the constituencies, the respective class bases on which the two sides rest, are irreconcilable, even temporarily".

Even more dogmatically, the MWT argued that:

"There could never be a coalition government between the ANC and the bourgeoisie although many ANC leaders might earnestly desire it . . . We cannot conceive of a condition which would permit of an ANC government on a bourgeois basis."[4]

For the MWT the inextricable link between apartheid and capitalism would trigger off an objective process whereby the ANC's mass support in the working class would force it to move against capitalism as a consequence of fighting apartheid. At some point the right wing in the ANC would prove themselves incapable of doing the job and the "Marxists" in the ANC would come to the fore as the masses cast the right aside.[5]

Naturally, any attempts to establish an independent workers' party in this context would be a diversion and premature—an attempt to derail the pre-ordained trajectory of the revolution. In addition, the MWT were also highly critical of the political independence of the emerging black trade unions in the early 1980s and covered up the weakening of the ANC in the same period.

In the years of pre-revolutionary and revolutionary situations (1984-86) the MWT systematically denied the maturity of revolutionary developments and offered no tactics for generalising the township and union organisations as the basis of a workers' government. Why? Because all this threatened, or lay outside of, their schema.

As the revolutionary situation subsided the growth and grip of the ANC strengthened. Unfortunately for the MWT's schema, so did the grip of the bourgeois, pro-imperialist elements within the ANC.

Simultaneously, the political structures of apartheid and the social relations of South African capitalism were unpicked. What was "inconceivable" and "impossible" for the MWT came to pass in the years following Mandela's release in 1990.

An honest political tendency would have openly admitted its mistakes and revised its perspective for the ANC. It would inevitably have become more sympathetic to the formation of a workers' party. Alas, not the MWT. The schema must be defended, modified perhaps, but not rejected.

In the run up to the 1994 elections there were three main elements in the MWT's justification for supporting the ANC: an "optimistic" perspective for the South African revolution, a false analysis of the nature of the ANC and a misapplication of the tactic of critical electoral support.

Ten years ago the MWT's schema determined that the revolution was not on the agenda. Today, in an opposite but equal error, they insist that the revolution is actually here and is advancing, even if a little more slowly than in the past:

> "The revolution has not been 'aborted', diverted into 'safe channels' but is presently going through a democratic phase. Such periods, when there is a lull or the movement appears to have receded is an unavoidable phase in any revolution."[6]

Moreover, *Congress Militant* (CM) claims that

> "While the forces of reaction have been weakened, the forces of revolution remain intact."[7]

This claim, made by the British Militant Labour leader Peter Taaffe, is strange in a period which has seen the working class acquiesce in a constitutional settlement that preserves capitalist rule and privileges for whites in the civil service and reserves a place for the National Party in government.

As the election date drew ever nearer Mandela made one concession after another to the "forces of reaction". Deadlines were extended, dates revised. Inkatha was allowed to have dual voting lists for Natal as it demanded. Whites were extended even more local powers in an attempt to pacify them.

Are the forces of reaction weaker than ten years ago? Yes, if like CM, one believes that apartheid was the only strategy for defending capitalism and imposing super-exploitation on the black working class.

No, if one recognises reality—that the real ruling class of South Africa, the great banks and corporations, not the Afrikaner die-hards, have changed their strategy. The dysfunctional nature of apartheid for the future of South African imperialist capitalism led them to negotiate it away whilst providing the white monopoly capitalists with enormous political guarantees to protect their economic power.

Are the "forces of reaction" really weaker than five years ago when Mandela and the ANC said that nationalisation of the monopolies was a central demand for a government if it was to effect radical distribution?

Are they less strong than one year ago, when they insisted that the ANC would not concede to the National Party's demands on the limits of constitutional change?

Taaffe is blind to reality. The reactionary forces have gained an enormous accession of strength from the ranks of the liberation movement itself, namely its entire leadership.

It has even made unwarranted concessions to the redundant far right and the Inkatha Freedom Party (IFP) rather than arming and mobilising the masses to crush them. In Taaffe's schema the revolutionary process must always march forward. This facile optimism fails to address the consequences of the political defeat presently being inflicted by the leadership of the ANC and COSATU on the working class.

Of course, Taaffe's analysis of the period since the mid-1980s cannot but recognise that the South African bourgeoisie has turned to the Mandela leadership, offering reforms to avert revolution. But he fails completely to explain how the working class has been drawn into support for the settlement. In particular, he is silent on the role of the South African Communist Party (SACP).

In the wake of the defeat of the township risings of 1986, the leaderships of the black trade union movement and black community organisations, most of them sincere and heroic activists of the preceding decade of struggle, were unable to develop a revolutionary strategy for the defeat of the regime. This was not their fault since no nucleus of militants fighting for such a programme existed in South Africa fighting for it.

Without the perspective of building a revolutionary party on a revolutionary programme, the "workerist" wing of the leadership gradually ceded leadership to the pro-ANC/SACP "Charterist" wing.

With the collapse of the Stalinist regimes, the stage was set for a democratic settlement brokered by the western imperialist powers and the Gorbachev leadership of the USSR. This pressure on the ANC popular front intensified greatly and immeasurably increased the bourgeois element in the alliance.

On the one hand, the continued strength of the South African workers' movement forced De Klerk, after various constitutional manoeuvres and a bloody campaign to split the black masses along "national" or "tribal" lines, to concede full universal suffrage.

On the other hand, the South African trade unions, becoming steadily more bureaucratised, have been won to open collaboration with the leaders of the future bourgeois government. COSATU has put forward candidates for the Alliance electoral list and helped draw up the Reconstruction and Development Programme of moderate reforms. Meanwhile, the Civics (local committees) are being drawn into the official local government structures.

This political defeat has allowed the negotiators in the World Trade Centre to trample on the previous pledges and programmes of the unions. The absolute rights of capitalist property are enshrined in the constitution and plans for nationalisation and social ownership have been abandoned.

The "independence" of the Reserve Bank is guaranteed. Development plans must have the World Bank/IMF seal of approval. Black business will get some encouragement, the black middle class will be allowed into the professions and management posts, greater differentiation will be promoted in the ranks of the black working class i.e. a stratum of higher paid skilled workers will be trained.

All in all this is indeed a "diversion" of the revolution. In fact, it is a betrayal!

Taaffe and *Congress Militant* leave out of account the decisive role of political leadership in a revolutionary crisis. Of course, there will be bitterness and anger at dashed hopes because it is absolutely certain that South African capitalism cannot provide the masses with a meaningful reduction in poverty and unemployment for the majority. But Taaffe's position is one of a spectator from the sidelines who simply waits for a renewed mass upsurge of the kind we have seen over the last ten years, not an active revolutionary..

Social differentiation within the black masses will be a mechanism for promoting acceptance of the status quo. Those who postpone their hopes to the future in return for the vote will find that when their illusions are shattered the masses may be be divided, their unions weakened, the forces supporting a new black bourgeoisie stronger. The masses need political leadership, revolutionary leadership to shape their consciousness in an alternative direction. But the MWT wait for history to solve the tasks that are set for revolutionaries.

Does this mean that working class resistance is over, or that further revolutionary opportunities will never occur? Far from it! For one thing the danger of reactionary violence from the right wing and Inkatha remains. The ruling class has not yet brought its erstwhile supporters to heel. For another, we agree that the crisis of expectations will produce working class action.

But for this to succeed in forcing substantial concessions, let alone pose a serious challenge to bourgeois rule, then the working class will have to identify its enemy more clearly and will need a new political leadership. It will have to break with the bourgeoisie.

The second error of the MWT concerns its appreciation of the class character of the ANC. For years, the MWT adhered to its schema of an exclusive orientation to the ANC and fetishisation of the Freedom Charter, a democratic programme with vague economic and social commitments. It is now struggling unhappily with the remnants of this strategy.

Congress Militant 107 was still repeating the old refrain "Forward to an ANC government with power to carry out the demands of the Freedom Charter"—despite the fact that the ANC had already ditched the Charter. A year later, with the ANC poised for participation in a coalition with the National Party, CM was still playing a variant of the old tune:

> "The ANC must fight in government for the working masses who defeated Apartheid. The demands of the Freedom Charter must be implemented to transform peoples' lives".[8]

Once it saw that the ANC could end up in a coalition, CM adapted its schema to portray an ANC leadership under pressure from a working class base being pushed into conflict with the bourgeois parties:

> "the coalition government will be composed of two blocs based on conflicting interests. The NP and its surrogates represent the interests of the capitalist minority, while the ANC is supposed to represent the working class majority".[9]

CM acknowledges the pressures on the ANC to capitulate, but fails to point out that the agents of finance capital inside the coalition will include the ANC itself! For CM the enemies are all outside the ANC:

> "Defeated parties must not be allowed to stand in the way. Nor must racists, the IMF, the World Bank or South Africa's ruling class. They have had their day. Now it's our turn to rule!"[10]

CM's picture is of an embattled ANC, struggling against its coalition partners on behalf of the South African masses.

Peter Taaffe has modified this schema. He acknowledges that in entering the coalition "the ANC leadership is increasingly seen as the bourgeois wing of the movement". Taaffe sees that the South African bourgeoisie now see Mandela "as a bulwark against the aroused expectations of the black masses".[11]

But Taaffe's conclusion is an extension of the original perspective and strategy. He envisages a future when either "The ANC in the course of time could become the main instrument for the political rule of the bourgeoisie" or the ANC will split and a realignment take place.

But instead of raising the need for the working class now to break with the bourgeoisie, "the working class have first to test out the ANC in action".[12] Proposals for a workers' party are "premature".

Since the late 1980s the ANC has been undergoing a process of transformation. Originally like most national liberation movements it was a multi-class alliance, with a petit-bourgeois nationalist and Stalinist leadership, but whose mass base was amongst workers and the township and rural poor.

The rallying of the COSATU leadership to the ANC brought out even more strongly its character as a popular front, that is, a class collaborationist bloc where the workers' organisations are subordinated to their bourgeois and petit bourgeois allies and their programmes. As the ANC approaches power it is undergoing another, and this time decisive, transformation into a fully bourgeois party.

Its programme, self-confessedly, was never a socialist one, but the ANC undertook left wing turns to accommodate the pressure of mass action and politicisation, most notably in the mid-1980s. The South African Communist Party, long influential within the leadership, was in the forefront of restricting the goals of the ANC to removing apartheid, postponing the struggle for socialism. The SACP/ANC, using

left phrases, acted in reality to check the revolutionary movement of the masses.

During the long period of constructing the settlement, with the ANC now a legal organisation, the existing leadership consolidated its hold, winning support for compromises on the constitution and ditching nationalisation pledges. Its headquarters are fittingly in Shell House—"progressive" bosses are keen to form alliances for the next phase of South African capitalism.

The ANC leadership has courted business at home and internationally. Sharp-suited young executives have joined it and shot to positions of influence. It has maintained an alliance with the chiefs and homeland leaders who are keen to ensure some of their privileges remain once the homeland system disappears.

Whether it is Shell, or the nascent black bourgeoisie whose members recently signed an agreement with the ANC—the Mopani Memorandum—to further black business interests, South African capital is turning to the ANC to guarantee it a new lease of life. The ANC is only too happy to oblige. ANC delegations meet governments and businessmen throughout Europe, Japan and the US, drumming up trade and investment, promising a good commercial climate.

No wonder that the British business weekly *The Economist*, cheerfully reported that "Main Street is coming to believe in at least the possibility of a stable and productive relationship with the ANC".[13]

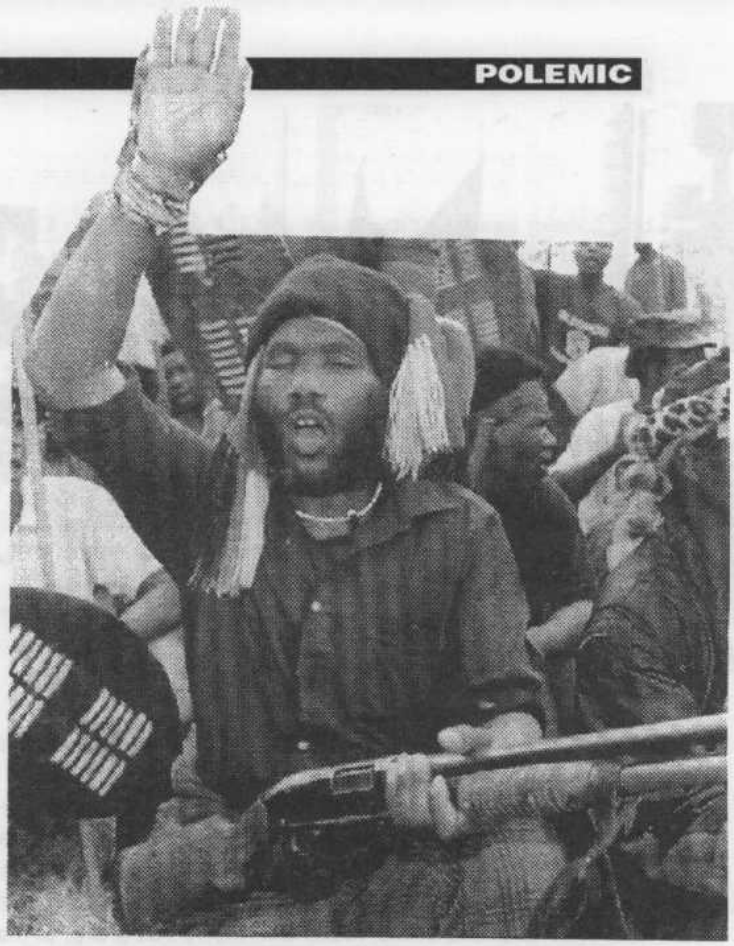
A recent business poll showed most leaders preferred Mandela for President over De Klerk. The constitutional guarantees of coalition government are bolstered by the ANC's own indication that it wants to keep some key ministers in place.

The ANC's trajectory is clearly towards becoming the main party of bourgeois rule. It has some features left from its past as a national liberation movement, and the significance of the organised working class in the struggle against apartheid has given the ANC and its Alliance mass working class support at the moment. But this does not itself make the ANC a workers' party. The US Democrat Party and the Argentine Peronists also have the allegiance of the majority of organised labour at the polls but they are bourgeois parties representing big business, who also finance them.

The ANC always drew considerable financial support from external imperialist sources, and with the fall of the Soviet bureaucracy has been obliged to do so more and more over the past few years. The parallel which the MWT and others draw with the West European Labour, Social Democratic and Stalinist parties is a false one.

The argument goes that if it is permissible for revolutionaries to give critical support to these lackeys of imperialism why not do the same for the ANC, a heroic national liberation movement? Of course, it is true that reformist parties such as the British Labour Party also serve the interests of capital. They too have thoroughly bourgeois programmes. However, certain features of these parties, and those of the social democratic type such as in Germany, mean that we can most accurately call them bourgeois workers' parties.

They indicate that they have a historical relationship



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to the working class and have often been created by workers' organisations in opposition to the major open parties of the bourgeoisie. By their very names and by certain, purely rhetorical, elements in their programmes and propaganda, they claim to be workers' or socialist parties.

The mass of the workers see them as, in this sense, "their" parties. This historic relationship may continue to be expressed in a variety of ways such as mass worker membership, financing or a close political relationship to the trade union bureaucracy.

This contradictory nature means that, whilst revolutionaries remain a small minority in the workers' movement, they can apply a series of tactics towards such reformist parties—critical electoral support, placing demands on the leadership, building action to force measures in favour of workers' interests. In this way, revolutionaries can fight alongside the majority of reformist workers who still believe that "their" party is better than the open parties of the bourgeoisie, testing these illusions in practice and winning workers over to the side of the revolutionaries.

Does the Alliance between COSATU and the ANC create the kind of relationship that turns the ANC into a bourgeois workers' party? No. The Alliance expresses the popular front relationship built up by the ANC as a national liberation movement. At present, the Alliance is a method by which the bourgeois forces in the ANC tie the workers' movement into supporting the leadership through a series of consultative meetings and conferences.

The SACP, despite its right wing role within the workers' movement and the ANC, is still a bourgeois workers' party with a distinct existence. Its relationship with the ANC has some peculiarities. The SACP is part of the formal



Alliance, but its members are also within the ANC and its leadership.

This is an unstable situation which, as the ANC prepares for government, clearly cannot last. At this moment we believe that the ANC still retains the character of a "peoples' front in the form of a party"—the term Trotsky used to describe the KMT in China in the 1920s and the APRA (Peru) in the 1930s.

This character derives historically from its role as a national liberation movement and in particular from the part played by Stalinism in welding the working class and its organisations to what was the revolutionary petit-bourgeoisie. The popular front, in its main, that is, its mass form, is now expressed by the Alliance.

The tactics to be applied to a popular front—an open and unashamed class collaborationst bloc with the bourgeoisie—are quite different from those revolutionaries should use with a bourgeois workers' party. Certainly, these tactics will include putting demands upon the workers' leaders, including demanding that the COSATU and SACP leaders on the ANC list commit themselves to fighting against the rigged constitution.

But this cannot be done through calling for a vote for the ANC. This would either contradict or obscure the main task of calling for a break with the bourgeoisie now. How can we oppose a coalition government with bourgeois figures if we vote for them on an ANC list?

The urgent task confronting socialists is to fight for working class independence, for an independent political party of the workers, for the workers' organisations to break with the bourgeoisie, and rally around a revolutionary programme. The tactic of "critical support" would work against this task rather than aid it.

Returning from a recent visit to South Africa, Peter Taaffe endorsed the MWT's current position which opposes proposals to build a workers' party. The MWT and Taaffe argue that the time is not right. Workers must stay in the ANC and maintain the Alliance to fight for the "life and soul of the ANC":

> "The slogan of the workers' party which is played with by some sects on the outskirts of the movement, is premature at this stage. The working class have first to test out the ANC in action. It is vital therefore that the greatest possible majority, giving the ANC leadership no real excuses for delaying action on the demands of the masses, is achieved during the election."[14]

This is completely wrong. First, the size of the majority is irrelevant. It will be huge anyway. The fact is that the settlement—supported by the masses to the extent that its full implications are not understood by them—includes a prior agreement that regardless of the size of the ANC's vote there will be power sharing and guaranteed protection for white "rights" (i.e. privileges) and wealth.

The ANC's "excuses" derive from this, not the size of the vote for it. Bereft of this argument, Taaffe and MWT are left with nothing more than the old argument that the masses must go through the experience of the ANC government in order for their class consciousness to develop.

But, as we have argued, this "experience" will be implemented and interpreted by conflicting political forces and does not lead automatically in the direction of revolutionary conclusions. The masses may well, given this rotten leadership, have to go through this experience. But they do not need revolutionaries to recommend this experience or to seek to prolong it in any way.

On the contrary, real revolutionaries will try with all their might to help the masses avoid the experience of betrayal, and, if it cannot be avoided, to shorten and put an end to it.

Workers need an alternative now to the ANC's betrayal, before and after the elections. The call for a workers' party, far from being premature, is decisive in the pre-election period because working class independence and pressure from outside the ANC and Alliance is the best—indeed only—guarantee that workers' rights and demands would be given any attention in the pre-election period.

As it is, only the right wing's demands are conceded to, while the workers' movement is regarded as "in the bag" by the ANC leaders. That is the first fruit of the loss of class independence.

Even in the framework of immediate demands, if COSATU had not been tied to the electoral chariot wheels of the ANC, had it, like Buthelezi, threatened civil war or declared its intentions to boycott the elections if its democratic and

class demands were not met, then it would be to the working class that concessions would have to be made. The workers' party slogan thus has an immediate practical value; it is not just a "promissory note" for the future as Taaffe claims.

Indeed, Taaffe argues that the workers' party slogan can only be used when the forces within COSATU have recognised the need for it—that is, precisely when there is no longer any need for the revolutionary vanguard to raise the slogan as a weapon of class independence and the struggle would focus on the fight for a revolutionary programme and structure for such a workers' party.

For the MWT the slogan becomes useful when it has become completely inadequate if not redundant. In short Taaffe wants to tail not only the working masses but their leaders. This is a posture unworthy of a revolutionary. The existence of small groups of revolutionaries is only justified if they do indeed act as a vanguard, blazing the trail for the strategy and tactics which the mass movement must adopt if it is to achieve victory.

The election system, naturally enough, is not designed to enable workers to vote in a class fashion. Although there will be a universal franchise and proportional representation, the "list system" means that voters cannot specify who they support on the ANC's list. COSATU and SACP nominees will be undifferentiated from the ANC's bourgeois candidates. It is not even possible to call for a vote for the candidates from workers' organisations separate from others on the list.

Already sections of militant workers have shown their unease with the Alliance and recognised the need to break from the ANC. Last year's NUMSA conference (hardly a sect on the outskirts of the movement), had a significant debate on the formation of a Workers' Party. A resolution calling for a conference of workers' organisations to discuss proposals including the formation of a workers' party was passed against the wishes of the NUMSA leadership.

Although this resolution was much watered down from the original, committing NUMSA only to "new forms of organisation", it was a sign of the dissatisfaction felt by worker leaders, at a rank and file level with the extent to which their organisations are being tied to the ANC leaders.

The LRCI first raised the call for a Workers' Party in South Africa during the period of massive growth within the trade unions and the revolutionary ferment of the mid-1980s.

The massive crisis of leadership combined with the highly politicised trade union movement made it possible for revolutionaries to join with reformist and revolutionary nationalist workers in seeking to build an independent political party. At the same time, it was possible to win these workers to a revolutionary programme for such a workers' party. This was a specific application of the Trotskyist "labor party tactic" applied by Trotsky and the SWP (US) in the late 1930s.

In the event, the opportunity was missed and the political vacuum filled, as we predicted, by the forces of Stalinism and petit-bourgeois nationalism. During the crackdown and retreat of the late 1980s, the SACP recruited key political leaders, including Moses Mayekiso, a previous advocate of the workers' party.

Using and encouraging the increasing bureaucratisation of the trade union leadership, the SACP and pro-ANC leaders consolidated their political influence. Once the SACP was able to operate legally, it appeared as the workers' party. Mayekiso urged other militants to join the SACP. In this period it was not possible to raise the workers' party slogan in a united front fashion.

By last year, however, the way in which the SACP had tied itself to the bourgeois forces in the ANC meant that the slogan for a really independent party of the working class once again had a resonance in the class.

The LRCI has argued over the last period that fielding a workers' party list/workers' list is essential to alert the working class to the need to organise independently and fight to force its representatives to break from the bourgeoisie. The position of some trade union militants, for instance the leadership of the South African Textile Workers Union, against *all* party ties will not achieve this.

This position is derived from the old "workerist" wing of South African trade unionism which in its most economist variant accepted the divide between trade unionism and "politics". The problem with this position is that it leaves the field of politics free for the bourgeoisie and their allies.

In the event, the argument for a workers' party has not been enough to realise the project in the pre-election period.

Revolutionaries will have to continue to propagandise against the sell out and for class struggle using what platforms the election period allows, and continue the fight to break workers' organisations from the Alliance. NUMSA remains committed to fighting for COSATU to break with the Alliance once the ANC is in government.

The danger is that this will mean breaking the formal links without constructing an alternative. Already the COSATU policy of insisting that its nominees for their electoral list resign their COSATU positions has left those candidates prisoners of the ANC rather than under COSATU control.

This tactic may have won support from some delegates because it seemed to flow from the old radicalism of the "workerist" days. But it results in the working class losing its independent voice altogether.

Dissatisfaction with this, along with revived class struggle in the post election period, will provide new opportunities for those trying to build a revolutionary party in South Africa. ●

NOTES

1 "Apartheid; from resistance to revolution", *Permanent Revolution* 4, 1986, p25
2 ibid p29
3 *Inqaba*
4 ibid p30
5 For an account of the roots of this "revolutionary processism" in the British Militant's politics see "Militant after Grant—the unbroken thread?" *Permanent Revolution* 10, 1994.
6 P Taaffe, "Apartheid ends—a new chapter opens" in *Militant International Review* (MIR), 55, January-February 1994, p6.
7 ibid
8 *Congress Militant* November-December 1992
9 *Congress Militant* 14
10 *Congress Militant* 11
11 *Congress Militant* 14
12 P Taaffe, op cit p5
13 *The Economist* 18.12/93
14 P Taaffe, op cit, p7

Reviews

The prophet mourned

The darker the night the brighter the star—Trotsky 1927-40

Tony Cliff
Bookmarks 1993, £6.95

Like his earlier book on Lenin, Cliff's biography of Trotsky leaves the reader feeling cheated. You bought a biography, but what you get is page after page of long quotations, either from Trotsky himself or from other commentators on the USSR and biographers of Trotsky. Cliff just stitches all this together with a minimal contribution from himself.

In this, the fourth volume of Cliff's biography of Trotsky, you get very little insight into Trotsky's life during his period of exile. There is no richness of detail to bring alive his heroic struggle, no anecdotes revealing what his life was really like, and no original research to throw light on aspects of his life hitherto unexplored or unexplained. Almost everything in this book can be found in Trotsky's own writings or in those of his more scrupulous biographers.

However, as an insight into the politics of Cliff's Socialist Workers Party (SWP) and its international satellites, the book has some use. It demonstrates the eagerness of this tendency to position itself in the same tradition as Trotsky. Much emphasis is placed on Trotsky's greatness, his heroism and tactical acumen when faced with historic crises like the rise of the Nazis in Germany. We would not be here today, Cliff argues, had it not been for Trotsky keeping "the torch, the tradition of revolutionary socialism, alight" (p17).

At the same time, Cliff restates (often in a more crude way than in his earlier writings) the basic ideas that led him, and his tendency, to break with Trotskyism on all the most important questions.

Cliff's break with Trotskyism came with the publication of his 1948 pamphlet, *The Nature of Stalinist Russia*. This work described the USSR as a state capitalist society. It explained that Trotsky was wrong to continue arguing (to the end of his life) that the USSR was a degenerated workers' state.

The USSR, said Cliff, had become state capitalist in 1928 with Stalin's turn to the forced collectivisation of agriculture and implementation of the first five year plan. The expansion of the USSR after the second world war proved this, since it was straightforward imperialist expansion.

We have dealt with why Cliff's theory was wrong on many occasions before. This review is not the place to repeat those arguments. What is demonstrated by Cliff's latest work is quite how irreconcilable Trotsky's analysis is with Cliff's state capitalist model.

Cliff's theme is that Trotsky was a great revolutionary who combined anti-Stalinism with anti-capitalism and who was merely prevented from understanding the state capitalist character of the USSR because he was unable to view its development with hindsight:

> "Trotsky had no time to stand back from current developments in the Soviet state. It is far easier with hindsight to see the weaknesses in Trotsky's analysis of the Stalinist regime."(p318)

This leads Cliff to tell us that Trotsky's actual analysis of the USSR as a degenerated workers' state in *The Revolution Betrayed*, was at one and the same time a masterpiece of Marxism and a monumental error of analysis. How can *The Revolution Betrayed* be "thoroughly Marxist, rooted in historical materialism"(P317) when it allegedly got the entire class basis of the society it was analysing wrong? This is nonsense.

If Tony Cliff in the 1940s was able to see that the USSR had become state capitalist during 1928 surely Trotsky, described repeatedly as brilliant beyond measure, could have seen this by the time of his death in 1940? Surely Trotsky, using the tools of Marxist analysis, enjoying the benefit of eight years hindsight when he wrote *The Revolution Betrayed*, and freed to stand back from developments in the Soviet state (after all he was in exile and barred from political activity in the countries in which he lived), would have noticed it and said so.

This book simply doesn't admit to the absurdity of the claim that had Trotsky had a few more years hindsight he would have changed his mind and agreed with Cliff. It cannot confront the political arguments that Trotsky advanced for defining the USSR as a degenerated workers' state that were fundamental to his thinking and his politics right up to when he died. Indeed Cliff's "biography" studiously avoids dealing with Trotsky's defence of the theory of the degenerated workers' state in his last writings, compiled in *In Defence of Marxism*. Here Trotsky had the benefit of twelve years of hindsight, and he still didn't change his mind!

Cliff's claim to stand in the tradition of Trotsky, while rejecting the basis of Trotsky's critique of Stalinism is a flat contradiction. What is more it is dishonest. For if it was the case, as Cliff claims, that Trotsky was wrong then the errors that flowed from his position were of such significance that he would have been obliged to abandon the revolutionary road altogether. For example, Trotsky was prepared to defend the USSR in the second world war. If the USSR had already become an imperialist power, as well as a state capitalist society (as Cliff argues) then Trotsky was guilty of social chauvinism. He was no better than the German reformists who defended the Kaiser in 1914. If you hold to state capitalism there is no getting round this, for theory has practical consequences. And if this was the case Trotsky was a traitor not the hero Cliff paints him as.

Moreover, prior to this, Trotsky's theory of the degenerated workers' state must be regarded as the key factor in destroying the once powerful Left Opposition in the USSR. For by failing to see that what he was up



against was a Stalin who had become a capitalist (with the sudden decision to collectivise and industrialise in 1928!) Trotsky disarmed the Left Opposition. Their capitulations to Stalin during the years 1928 to 1935 were rooted in their mistaken belief, sustained by Trotsky's analysis, that Stalin was building a workers' state. As Cliff explains, the old Bolsheviks could not be broken by police methods. They had survived for years under the tyrannical regime of the Tsar. No, it was their failure to see that Stalin was a capitalist:

> "Capitulations were far more the outcome of conviction, that Stalin's policies of collectivisation and speedy industrialisation were socialist policies, and that there were no realistic alternatives to them. It was the ideological crisis of the Trotskyist movement that disarmed the Oppositionists and tempted them to surrender to Stalin."(p102)

Surely Trotsky, as the leading ideologist of this movement has to take responsibility for this. Surely Marxists must break from sentimentality and say, whatever his strengths, Trotsky was a centrist who contributed to his own downfall. If he said this Cliff would at least be consistent with his own thoroughly wrong, thoroughly flawed and thoroughly anti-Marxist theory of state capitalism. But he doesn't. Instead he paints Trotsky as a hero. Cliff shies away from the historical fact of Trotsky's life that in the 1920s and again, repeatedly, in the 1930s he castigated Cliff's state capitalist forefathers (of whom there were plenty) for breaking from Marxism in rejecting the theory of the USSR as a workers' state and later a degenerated workers' state.

Cliff's explanation of why Trotsky failed to analyse the USSR as state capitalist is trite, unconvincing and of course, self-serving. For by glossing over Trotsky's active opposition to the theory of state capitalism Cliff can excuse the scale of his own break with the revolutionary Marxist tradition at the same time as claiming to stand in that tradition.

A similar pattern of inconsistency emerges with Cliff's treatment of Trotsky's other major contributions to the Marxist tradition—his fight to build the Fourth International and his elaboration of the Transitional programme as the basis of that International. Cliff salutes Trotsky's attempt to build the Fourth International:

> "Without the effort of building the revolutionary international, Trotsky's contribution to Marxism, which kept it alive and preserved it from ossification, would not have been achieved."(p306)

But he condemns the result—the Fourth International of 1938, and the Transitional Programme:

> "The problem with announcing the foundation of the Fourth International when the Trotskyist current was so weak was that it generated delusions of grandeur without in practice advancing the movement in any way. Organisationally it confirmed the tendency to pretentious, top heavy structures, that we have already criticised. Politically, it tended to raise the Transitional Programme to the status of a classic document on a par with the Communist Manifesto in the minds of Trotsky's followers."(p306-7)

In his 1979 assessment of Trotsky (*Trotsky's Marxism*), Cliff's loyal servant, Duncan Hallas, attacked Trotsky's creation of the Fourth International as a break with Marxism's party building methods:

> "Within a few years, Trotsky tacitly abandoned his conception of the revolutionary party as the 'historical organ by means of which the class becomes class conscious' and launched an 'International' without a significant base in any workers' movement."(p91)

This criticism of Trotsky was premised on the SWP's nationalist method of party building. In arguing that an International could only be built after one or more strong national parties had already been built, the SWP were abandoning practical internationalism. They counterposed building national organisations to building an international one. They did not recognise the centrality of the co-ordinated struggle to build both national organisations and an International, at one and the same time as part of the same process.

If it is premature to build an international organisation until one has a significant base in a workers' movement then the same must be true for a national one also. Yet this did not deter Cliff and his followers in the 1976 from declaring themselves to be the revolutionary party.

Cliff actively attacks Trotsky's emphasis on the centrality of building an international organisation as part and parcel of building national organisations. He quotes Trotsky's definition of internationalism as "the active participation of every section in the life of the other sections", only to argue that this definition meant that there was "mayhem" (p301) in the Movement for the Fourth International:

> "The problem with Trotsky's approach was that it is very difficult to draw immediate tactical lessons from one branch of a national organisation for another. How much more difficult is it to do the same on the international scale." (p301)

Let's be clear, Trotsky was not talking about every minor detail of day to day tactics. He was talking about the central issues affecting all sections as a result of the combined effects of the international capitalist crisis and the international repercussions of revolutionary events in France, Spain, Germany and so on. Here, it was essential



TROTSKY'S FUNERAL, MEXICO CITY. HIS COFFIN IS DRAPED IN THE FLAG OF THE FOURTH INTERNATIONAL

to develop an active concern in every section with the major tactical line developed by other sections. The refusal to do this by the Independent Labour Party in Britain and the Socialist Workers Party in Germany were indications of the centrist character of these parties. For them what they did in their own country was their own business. They were not accountable to any international. Internationalism was simply a form of piety.

This is the case for the Cliff tendency as well. Internationalism does not consist of an attempt to build an international party, united by democratic centralism with each section benefiting from international control and international debate. It merely consists of international co-operation between parties who get on with their own work in their own countries, since "they know best".

However, international organisation, discipline and leadership is critical if the deep rooted and spontaneous pressures of national social forces are to be consciously corrected.

The Cliff international tendency is precisely marked by acute deviations which flow from their national centredeness. In Britain the SWP is an extreme example of this. Its entire political method has been shaped by the economism of the British labour movement. The SWP reflects and articulates this economism in its political practice.

In place of an internationalist stance on the Gulf war, for example, which would have meant championing the defence of Iraq against imperialism in the British labour movement—the Cliffites merely adapted to the pacifism to be found inside the trade union movement. They said stop the war, not victory to Iraq. This is of a piece with Cliff's attack on Trotsky's Fourth International.

It is certainly true that the Fourth International represented minimal forces when it was founded. It is also true that this was a weakness. But to conclude that because of this it was wrong to found the Fourth International is crass. Not only was Trotsky's decision justified by the need to raise a new banner on the eve of a world war and the convulsions that this would (and did) entail; it was necessary as the only means of centralising and preparing the cadres of the Trotskyist movement for these momentous events. This was not just an empty gesture—a disembodied means of keeping Marxism alive. It was an active attempt to shape the course of history. Had Trotsky not "proclaimed" the Fourth International then there would have no organisational challenge to the Stalinists and the imperialists.

Nor would the political challenge represented by Trotsky's movement have been codified into a programme without the foundation of the Fourth International. But for Tony Cliff, a professional enemy of the very concept of the Marxist programme, the elaboration of the Transitional Programme was a hindrance rather than a help. His treatment of this document covers one and a half pages in this book, half of which are quotes!

Cliff explains that the Transitional Programme was an attempt to overcome the reformist concept of a minimum programme of reforms within capitalism and a maximum programme of socialism, between which there was no bridge. So far, so good. But then Cliff explains that normally there is no need for such a bridge:

> "The basic assumption behind Trotsky's Transitional Demands was that the economic crisis was so deep that the struggle for even the smallest improvement in workers' conditions would bring conflict with the capitalist system itself. When life disproved the assumption the ground fell from beneath the programme."(p300)

Cliff clinches this article by arguing that the demand for wage rises to match rises in inflation is "reactionary" because workers could win big pay rises during the boom. Other demands, like the call for a workers' defence guard "did not fit a non-revolutionary situation."

Curiously, Cliff opposed these demands even in conditions of economic crisis in Britain (from 1974 onwards) and in a revolutionary situation in Portugal (1975). Despite what he says in this book he is hostile to the entire concept of transitional demands, not simply their "inappropriateness" in certain political and economic conditions.

The reason lies in his economism, his belief that the economic struggle of workers against employers can and will generate a class wide challenge to capitalism in and of itself. If this is the case then there really is no need for a programme beyond the fight for minimum economic demands and propaganda for socialism (the minimum-

maximum divide that Trotsky successfully transcended).

This is the method of the Cliff tendency. It is the reason why Cliff rejects the Transitional Programme altogether and gives its development hardly any analysis in this "biography" of Trotsky.

Cliff is wide of the mark. It is certainly the case that certain transitional demands are only appropriate under certain political and economic conditions. But the basic "assumption" underlying the programme is not the existence of a slump or revolutionary crisis. It is the need to organise workers who struggle for their basic interests in a way that takes them forward towards challenging capitalism. Once workers have secured a reform (e.g. control over hiring and firing) then they must consciously move forward to new heights (e.g. control over all apsects of the enterprise, nationalisation) or lose their existing conquest.

Naturally, there is nothing automatic about this process even if its transitional character is clear. The spontaneous struggle of workers has to be infused with a conscious fight for class independence and workers' control. Moreover, to insist that the sliding scale of wages is a self-limiting demand shows how idiotic Cliff's whole political method is. For the demand doesn't cap pay rises but merely guarantees a minimum rise for workers under conditions of high inflation. More importantly, by organising workers to assess their own needs, to assess the real cost of living they face (as against bogus government assessments) it challenges the capitalists' control in the economy.

Likewise, the idea that the workers' defence guards are only appropriate in a revolutionary situation disarms the working class in its everyday struggle. Such guards were necessary during the great miners' strike in Britain to defend the pickets. Miners knew this and went some way to organising defence squads.

The Cliffites proved themselves to be more backward than the workers they attempted to lead by opposing these steps and denouncing those, such as the supporters of this journal, for seeking to develop them into the formation of union organised squads. They continue to follow this reformist line in the fight against fascism, refusing to take the physical struggle seriously and refusing to organise even elementary defence and stewarding of their own demonstrations.

This book is a shameless swindle. Its only possible excuse is that it is the only way Cliff can get his followers to read any Trotsky. Or perhaps it is the only way he wants them to read Trotsky—his selection of Trotsky quotes, suiting his political purpose. As such the book cannot be recommended as a worthy rival to any of the competing biographies of Trotsky.

Politically, it is a compendium of errors. Regardless of the fulsome praise Cliff bestows on Trotsky this work confirms the magnitude of the gulf between Trotskyism and the Cliff tendency. Bookmarks would have served the English-speaking world better if they had commissioned an English transation of Pierre Broué's one volume biography rather than indulge Cliff in his four volume folly.

by Arthur Merton

The prophet murdered

Ramón Mercader mi hermano (Ramón Mercader my brother)
Luis Mercader & Germán Sánchez
Editorial Espasa-Calpe1991

Luis Mercader is the youngest brother of Ramón Mercader, the man who assassinated Trotsky in August 1940 in Coyoacan, Mexico acting on instructions from Stalin's secret service, the NKVD. At the time Luis Mercader was living in Moscow. While reading *Pravda*: his eyes were pulled towards a few spare lines:

> "London 22 August (TASS). The London Radio has reported today: 'In a hospital of Mexico City, Trotsky died as a result of a skull fracture perpetrated by a person close to his milieu'."

Luis carried the news to Elena Imbert, Ramón Mercader's companion, also living in Moscow. She told Luis, "Ramón participated in this". Her hunch was correct and the book gives us a portrait of how this wretched man came to make his greatest mark by the murder of one of the twentieth century's greatest revolutionists.

The book in itself has no literary value. On the contrary, it is badly written and even contains hundreds of grammatical and spelling mistakes. But, it gives the reader some new information about the direct role of the NKVD in organising the assassination of the founder of the Red Army and Lenin's ally during the Bolshevik Revolution.

Ramón Mercader was the product of a fanatically Stalinist family. His mother, Caridad, came from a rich aristocratic background. She became an NKVD agent in the 1930s during the Spanish Revolution. The Mercaders became friends of Leonid Eytigon (alias Naum and Kotov) in Spain. Eytigon was deputy commander of all Soviet agents in Spain during the civil war. Eytigon had plenty of experience in counter-revolutionary operations having been an adviser to Chang Kai Shek in China.

Ramón Mercader became a member of the Communist Party during the Barcelona uprising in 1934. Ramón's hatred of the Trotskyists and Anarchists began during the workers' uprising of 1937, which he, true to official Stalinist policy, condemned as a provocation and diversion from the war against Franco.

During 1936-37 Caridad Mercader travelled through Mexico, accompanied by Elena Imbert. They were collecting weapons and money on a tour organised by the Mexican Stalinist trade union leader, Lombardo Toledano. When Caridad came back from her Mexican tour, she was put in charge of the Agrupación de Mujeres Antifacistas (a Stalinist women's front). Luis recalis that around that time Ramón became a member of the the Soviet secret services. He and his mother were given a chauffeur driven car and a palace! The latter also functioned as the headquarters of the military unit led by Ramón Mercader.

After the defeat of the Spanish revolution in 1939 Caridad and Ramón joined Luis in Paris. But Mercader left France quickly by boat from Le Havre in February 1939. He headed to America where he travelled extensively with a Soviet agent called Orlov. He made several trips to

Mexico. During one visit he was enlisted to help kill Trotsky.

Luis claims that the whole operation in Mexico was led by Ramón's trusted friend Eytigon, fresh from his bloody deeds in Spain. Originally, his role was not to kill Trotsky, but merely observe and report everything to the NKVD. It was the Mexican Stalinist, Siqueiros, who ordered Trotsky's death. Yet according to Ramón Mercader's own account:

> "He [Siquerios] behaved like a stupid *el cabron*, got there with an army of bouncers and acting like he was in a Mexican film, he started to shoot in all directions, like watering plants. He left without checking if they killed anybody. They shot hundreds of bullets and nobody was even hurt. Of course, it caused a big scandal and Kotov (Eytigon) was desperate. He had Stalin's orders to kill Trotsky and he had to do it. He could not fail. Later Siqueiros held negotiations with an American pilot to bomb the residence; this was not possible, it was complicated, expensive and risky."

Ramón decided to help out his friend Eytigon and agreed to kill Trotsky. The story of how he struck up a friendship with one of Trotsky's secretaries to gain access to his well-guarded house is well known. Alone with Trotsky in the study, the "Old Man" was induced into reading a manuscript of Mercader's. Mercader plunged a concealed ice pick into Trotsky's brain. But Trotsky did not succumb before he grappled with his assassin and summoned help. Mercader was overpowered and arrested. He was eventually tried and imprisoned for 20 years.

Luis Mercader states:

> "It is fair to say that the Soviets never abandoned Ramón. They took good care of him and they tried everything to get him released from prison. Ramón told me that they spent about $5 million on him. They took care of his companion Elene Imbert. During all the period that I was at the secondary school and later at the university, they regularly paid me a grant, which was very high in comparison to rest of the students and in comparison to the conditions of life in the Soviet Union. Also they gave money to my mother, a lot of supplies and a very good apartment while she lived in Moscow during the Second War World. When my mother left the Soviet Union in 1944, I took possession of that apartment with Conchita Brufau. Later when my mother returned from Mexico and went to live in Paris, they paid her a pension until her death in 1975. The Soviets paid for her funeral and an stone in the Patin Cemetery".

Ramón's mother was also awarded the Order of Lenin in 1940 by Kalinin. She was told that when Ramón was eventually released, he would receive the Star of the Heroes, the highest commendation in the Soviet Union.

When Ramón Mercader left the prison of Santa Marta Acatila in May 1960 he went to the USSR via Cuba. In Moscow he was met by the KGB and given a prestigious apartment near Gorky Park, one of the most privileged places in the city. He worked on a project about the Spanish revolution at the Institute of Marxism-Leninism. He was rewarded with the Order of Lenin and the Star of the Heroes as promised. In the lobby of the KGB headquarters his adopted name, Ramón López, is engraved in gold. The decision to award the Order of Lenin to a man who had killed Trotsky, the man who Lenin worked arm in arm with during the October revolution, shows quite how grotesque and degenerate Stalinism was.

In 1974 Ramón Mercader decided to leave the Soviet Union. He wrote a letter to Fidel Castro who answered immediately, inviting him to live in Cuba. After first being denied permission, in August 1974 Ramón Mercader was allowed to go and live in Cuba. In 1978 he died of bone cancer.

Luis speculates that the KGB murdered him to guarantee his silence. In May 1974 he was presented with a golden watch by the KGB. It bore the inscription, "To the Hero of the Soviet Union, Ramón Ivanovich López". Ramón Mercader permanently wore the watch on his left wrist. Luis thinks that the watch contained a radioactive substance that produced Ramón's cancer. His speculation may not be far fetched. Eytigon, who warned Luis of such a threat to his brother, had been close to agents working under Beria on novel methods of poisoning people.

Safely dead the body of Trotsky's killer was taken back to be buried in Moscow with full military honours, speeches from the KGB officers and gun salutes. In 1987 the KGB erected a vertical stone in his tomb that read: "To the hero of the Soviet Union, Ramón López".

Luis Mercader says he wrote this book only with purpose of "remembering objectively" his brother. This is nonsense. It's an apology for a Stalinist atrocity. He glosses over the fact that his brother was a professional killer in the pay of the Stalinist secret police. He glorifies the Stalinist USSR and rejoices in the awards and medals given by the counter-revolutionary bureaucracy to his mother and brother. He excuses a monstrous crime against the revolutionary working class - the murder of Trotsky.

As Stalinism crumbles we Trotskyists will not forget the crimes committed against us in the name of "socialism". Nor will we forgive them. We are not Christians who turn the other cheek. We are class warriors who fight back against our enemies. For too long our enemies in the camp of Stalinism seemed too strong, too all powerful. Now they are crumbling everywhere. Now they are running into the arms of world capitalism. Now they regard socialism as dead.

They thought that by killing Trotsky they would kill his revolutionary ideas. They were wrong. Those ideas have survived and developed. They will attract ever more adherents. They will take their revenge on Mercader and on his bosses, Beria and Stalin. That vengeance need not take the shape of individual assassinations of Stalinist criminals. It will not be shrouded in intrigue and conspiracy in the manner of the NKVD. It will rather take the form of the victory of the ideas of the man they killed - the victory of international revolution and genuine working class socialism.

by Diego Mocar

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