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Gays and the Left: Scratching the Surface

7 July 1997, by **Peter Drucker**

The contemporary movement for lesbian/gay liberation was born out of the ferment of the New Left. Its leftist roots were openly acknowledged. Theorists such as Dennis Altman, John D'Emilio, David Fernbach and Mario Mieli. All identified with one socialist or communist current or another. All acknowledged their debt to Marxism as well as feminism and psychoanalysis.

Times have changed. Lesbian/gay movements have grown and won some significant victories in the past quarter-century, while the socialist left has shrunk to a shadow of what it was. Unsurprisingly, nowadays lesbian/gay spokespeople and theorists are less likely to identify with the anti-capitalist left than they used to be.

Back to Basics

Lauritsen's and Thorstad's roots go back to the U.S. Socialist Workers Party. They broke with that group in the mid-1970s when the word came down from its leadership that lesbian/gay oppression was only a "secondary" contradiction for which members' energies often could not be spared. But the 1995 edition of "The Early Homosexual Rights Movement" contains few major changes. Like the 1974 version, it treats the pioneers of lesbian/gay emancipation with only mildly critical sympathy and stresses the bright side of their alliance with

leftist parties.

This makes the book useful reading for anyone who wants to begin by grasping a few basic facts. For example: in the years before the First World War, the German Social Democratic Party was in the forefront of the fight to repeal that country's anti-gay Paragraph 175. Eduard Bernstein defended Oscar Wilde (himself an iconoclastic socialist) in the pages of the SPD's theoretical journal, "Die Neue Zeit."

The Bolsheviks repealed anti-gay laws when they took power in Russia, and supported the pro-gay World League for Sexual Reform throughout the 1920s. The German Social Democratic and Communist parties were the gay movement's best allies in the 1920s. These basic facts are worth reiterating, if only because some recent scholarship has managed to overlook them.

There is another side to the story. Trained in the Trotskyist tradition, Lauritsen and Thorstad have a keen eye for the (many) failings of social democrats and Stalinists. The German Social Democrats succumbed to the temptation to gay-bait when same-sex scandals among the German empire's aristocratic elite emerged; Social Democrats and Communists succumbed again when Nazi SA head Ernst Röhm was available as a homosexual target.

Stalin re-criminalised homosexuality in the USSR in 1934. Communists in many countries obediently turned their back on their earlier stands and began to identify gays with bourgeois decadence and even fascism. By the time lesbian/gay liberation went though its resurgence in the 1960s and 1970s, an uphill battle had to be fought against anti-gay prejudices inside much of the left.

Lauritsen's and Thorstad's focus on Germany helps them avoid noting that the left in other countries, like the United States and the Netherlands, fell short even of the German left's mixed record. Beginning their account late in the nineteenth century saves them from mentioning Marx's and Engels' homophobia, which surfaced not only in private letters but in published writings. Ending in the 1930s saves them from discussing the shortcomings of later, even anti-Stalinist Marxists.

Ambivalent left tradition

"Gay Men and the Sexual History of the Political Left" has been put together with more scholarly thoroughness. It benefits from two decades of accumulating research, and suffers from no inhibitions about exposing the left's shortfalls. The result is a set of valuable

investigations. The strong development of gay studies in Dutch universities (where two of the three editors are based) is well reflected.

The one contribution that focuses on the Netherlands (by Gert Hekma) is a useful demonstration of just how ambivalent early socialists were about sexuality. The anthology also does well to look at several different left traditions - "utopian" socialism, anarchism and Marxism - in a single volume. For anyone who wants to learn about topics as varied as how Andre Gide squared his homosexuality with sympathy for the USSR, what the early Frankfurt School had to say about gays, or the complementary roles of East Germany's Lutheran Church and Stasi (secret police) in creating a gay movement there, this book is a good starting place.

Yet most of the authors are hampered by three major flaws in their approach. First, though many of them clearly have leftist sympathies, their methods owe little to the left. They work as empiricist historians; few of them seem to see how Marxism, feminism or any other radical paradigm can help them analyse societies. Second, the book as a whole is marred by a double standard, in which Marxist traditions are more harshly judged than others. Third, few of the authors have learned much from social historians' discoveries about the lives of ordinary gay men and lesbians, who after all made up past movements and parties.

Public vs. private

In their introduction, the editors say that "socialism is singled out for particular attention here because its project was, and is, to fulfil the emancipatory goal of the Enlightenment: the universal liberation of humankind from oppressive ideologies and exploitative social structures." (p7) This argument for holding the left to high standards is absolutely right.

The editors are also right to criticise socialist credulousness about "scientific" biology and medicine, which contradicted the left's distinctive emphasis on historical and

social factors, and to criticise socialist praise of working-class "manliness", which ignored the female half of the working class. But they fail to grapple with the difference between abstract application of principles and a project of liberation carried out by concrete historical agents emerging from really existing capitalism.

Ultimately, when the editors appeal to the classical liberal distinction between public and private realms, they are judging the left by criteria that are alien to the left. "The private sphere has enjoyed far less protection under socialist regimes than under liberal ones," they say. (p16)

They do note in passing that liberals (in the European sense of constitutionalist, secular free-market advocates) were in practice usually even more anti-gay than leftists. But they fail to explain why. In fact the liberal private-public distinction leaves straight male power in the family unchallenged. Women's and lesbian/gay liberation require transforming the family in ways that are bound to "interfere" in "private" life.

The authors' not very profound methodology sometimes limits their predictive ability. For example, in his article on contemporary France, Jan Willem Duyvendak moves beyond his earlier work in describing the difficult "balance between desires and interests" that gay movements need to strike. (370) But lacking a deep analysis of how much those desires and interests are repressed in France today, he predicts continuing demobilisation of French gays - who in fact began mobilising in steadily more impressive numbers before the ink on his article was dry. [1]

The book's liberal critique of the left's sexual politics is limited mainly to Marxists. Saskia Poldervaart's essay on utopian socialists and Walter Fahnders' on German anarchists are not just sympathetic, but almost wholly uncritical accounts, citing inspiring passages from their subjects' works without paying much attention to the reality of their movements

It is valuable to recover these lost voices of sexual radicalism, to note

sex-radical insights in Fourier that Marx dismissed, or anarchist pro-gay positions that were better than those of contemporary Marxists.

Anarchist Hubert Kennedy exposes Marx's homophobic attacks on gay German Lassallean leader Johann Baptist von Schweitzer, though without shedding much light on the issues between Marxists and Lassalleans that probably concerned Marx more.

Richard Cleminson's careful, historically informed research on the Spanish anarchist "Revista Blanca" sets a higher standard, however, in an article that shows how anarchist puritanism gave way in the 1930s to greater tolerance.

The articles focusing on Marxists mostly fall short of Cleminson's achievement. In fact, of the ten contributions that deal mainly with avowed Marxists, only two or three show much knowledge of Marxism. Four deal largely with Stalinist regimes or spies; twenty years after Lauritsen's and Thorstad's basic exposition, these articles make little distinction between Stalinist sexual politics and earlier Marxist positions.

Laura Engelstein, writing about Soviet legislation, ends up asking in bewildered ignorance, "Why did homosexuality escape the law between 1917 and 1934? That is the still obscure and intriguing tale." (p173) Harry Oosterhuis, who chronicles anti-gay statements in Social Democratic and Communist anti-fascist propaganda of the 1930s with justified indignation, blames the homophobia on Marxism as such; he either does not know or prefers to forget that earlier socialist positions were more pro-gay.

David Thorstad, who contributes the one article dealing with the U.S. left, is of course knowledgeable about Marxism. He lays out the reactionary positions of the CP and Maoists at the time of the 1969 Stonewall rebellion, cites the enlightened comments of Panther leader Huey Newton, exposes the limits of the SWP's position, and contrasts it with somewhat better positions taken by other Trotskyist groups. [2] He rightly criticises

positions that in the best of cases tend to dress up defences of minority rights in radical-sounding verbiage instead of attacking the deeper roots of heterosexism.

Unfortunately Thorstad chooses as his decisive criterion agreement with his and Lauritsen's demand for repeal of age -of-consent laws. Thorstad and Lauritsen have every right to be bitter: The attacks on them not only by the FBI and Jesse Helms but also from within the lesbian/ gay movement have been appalling.

Sadly, this seems to sour Thorstad's vision of the movement as a whole. The same sourness disfigures the "Afterword to the Revised Edition" of "The Early Homosexual Rights Movement." "The mainstream gay organisations of the present" are dismissed as "politically correct zombies," and the "radicalism of such groups as Queer Nation" as "bizarre and offensive behaviour." (102) Substantive lesbian/gay radicalism is certainly on the defensive, but the scene is not quite as bleak as Lauritsen and Thorstad paint it. [4]

If this same pattern held true for pre-war Central and Western Europe, it could explain many things. It could explain for example why self-identified gay men in Weimar Germany came largely from middle-class backgrounds and largely shared the conservative politics of their social class. It could also help explain why more left-leaning gay groups, like Magnus Hirschfeld's Scientific-Humanitarian Committee, tended to put forward "old-fashioned" "third sex" theories, while a more "modern" approach was characteristic of more right-leaning groups like the Community of the Special.

All this is speculation. Although historians like John D'Emilio have already begun linking the social archaeology of emerging lesbian/gay communities in the post-war USA with the wellsprings of lesbian/gay politics, [6]

The political is

personal

Che was not only a heroic fighter, but a revolutionary thinker, with a political and moral project and a system of ideas and values for which he fought and gave his life. The philosophy which gave his political and ideological choices their coherence, colour, and taste was a deep revolutionary humanism. For Che, the true Communist, the true revolutionary was one who felt that the great problems of all humanity were his or her personal problems, one who was capable of "feeling anguish whenever someone was assassinated, no matter where it was in the world, and of feeling exultation whenever a new banner of liberty was raised somewhere else." [7]

Che's internationalism -a way of life, a secular faith, a categorical imperative, and a spiritual "nationality"- was the living and concrete expression of this revolutionary Marxist humanism.

Che often quoted Jose Marti's words that "any human being should feel on his own face the blows struck on the face of another". The struggle for this dignity was one of the ethical principles which would inspire all of his actions, from the battle of Santa Clara to the final desperate fight in the Bolivian mountains. What Che called "the banner of human dignity" is still an important term in the culture of Latin America. Its origins may lie in Don Quixote, a work which Che read in the Sierra Maestra, used in the "literature classes" that he gave peasant guerrilla recruits, and a hero with whom he identified in the last letter he wrote to his parents.

This value is no stranger to Marxism. Marx himself wrote that "the proletariat needs dignity even more than it needs bread". [8]

Consideration of Guevara's strategic thought has often been limited to the idea of the guerrilla foco (expanding nucleus) But his ideas on the revolution in Latin America are much more profound. In 1967 he argued that "There is no other change to make: either socialist revolution or the caricature of a revolution". In effect, Che helped an entire generation of

revolutionaries to free themselves from the sterile prison of the Stalinist dogma of "stagism". [9]

Of course, one does find in his writings -whether on the Cuban experience or on Latin America- and even more in his tragic Bolivian episode, a tendency to reduce revolution to armed struggle; armed struggle to guerrilla struggles in rural areas, and guerrilla struggle itself to the small knot which formed the foco. This tendency has subsequently dominated the guevarist tradition in Latin America.

But you can also find passages in his works which lent nuance to the guerrilla conception -for example in insisting on the importance of mass political work, or on the inadequacy of armed struggle in countries with democratic regimes. Not to mention his explicit refusal of assassinations or blind terrorism. [10]

The guevarist legacy, which left its imprint on the strategies of Latin American revolutionary groups from the 60s to the 80s, is still with us, as a revolutionary sensibility and an unyielding resistance to the established order on the part of the continental left, from social movements like the Movement of Landless Peasants in Brazil, to currents which call themselves socialist.

Socialism in the Americas, wrote Jose Carlos Mariategui in 1929, cannot be a copy, but a heroic creation. That is exactly what Che tried to do, in rejecting any possibility of copying the "really existing" models and in searching for a new path to socialism, a more radical, more egalitarian, more fraternal, more human model which would better fit a real communist ethic.

His ideas on socialism and democracy were still evolving at the time of his death, but in his speeches and writings, one can clearly see him taking an increasingly critical position on the self-proclaimed "real socialism" of Stalin's followers. In his famous "Algiers Speech," in February 1965, he called for those countries calling themselves socialist to "liquidate their tacit complicity with the exploiter

countries of the West". A tacit complicity which showed itself in the unequal trade relations with countries trying to liberate themselves from the imperialist ghetto. He added "Socialism cannot exist if there is no transformation in our consciousness which leads to a new fraternal regard for humanity, as much at the individual level in societies which have built or are building socialism as at the global level, vis-a-vis all people who suffer imperialist oppression." [11]

In his March 1965 essay "Socialism and Man in Cuba", Che analysed the models of constructing socialism that existed in Eastern Europe. Following his own revolutionary humanist precepts, he rejected a conception which claimed to "conquer capitalism with its own fetishes in pursuing the illusion of building socialism with the rotten weapons left to us by capitalism (commodities taken as economic units, profitability, interest rates as a stimulant and so on, we risk arriving at an impasse." [12]

According to Che, one of the main dangers of the model imported from the Soviet Union was the growth of social inequality and the formation of a privileged layer of technocrats and bureaucrats: in this redistributive system "it is the managers who profit. You only need to look at the latest project of the German Democratic Republic; the importance, there, of the director's management, or, even better, the rewards which the director receives for managing." [13]

Che's economic thought, especially concerning the transition to socialism, was both passionate and problematic. Its passion is in its egalitarian and anti-bureaucratic stance, and in his criticism of commodity -or market-fetishism, including commodity fetishism in so-called "socialist" countries.

The Belgian Marxist and Fourth International leader Ernest Mandel sided with Che against the partisans of Stalinist economics (like Charles Bettelheim) and the Cuban imitators of the Soviet model in the economic debates of 1963-64.

But Che's reflections -obviously unfinished- are also problematic in many ways. Not so much in what they say, as in what they don't. Particularly Che's silence on the question of socialist democracy. Che Guevara's arguments for economic planning and against market categories are not wrong: on the contrary, they gain new force when measured against the crude neo-liberal "arguments" which dominate today. But his thoughts shed no light on the key political question: who makes the plan? Who makes the big choices in an overall economic plan? Who determines priorities in production and consumption?

Planning inevitably becomes an authoritarian and inefficient bureaucratic system of "dictatorship over needs", unless it is accompanied by political pluralism, a free discussion of priorities, a free choice by the population between different proposals and different platforms of economic alternatives.

The history of the former Soviet Union provides abundant evidence of this. In other terms: the economic problems of the transition to socialism are inseparable from the nature of the political system.

The Cuban experience of the last 20 years also demonstrates the negative consequences of a lack of democratic and socialist institutions -even if Cuba has been able to avoid the worst totalitarian and bureaucratic deformations of other so-called "really existing socialist" States.

Che's polemic against market fetishism was completely justified; but his arguments in favour of planning

would be much more convincing if they were situated in the context of the democratic control by the workers over the planning mechanisms. As Ernest Mandel emphasised in another context, there is a third way out of the impasse of the market on the one hand, and bureaucratic planned economy on the other: worker's self-management, democratically organised and centralised, and self-government planned by associated producers. [14]

Despite his distrust of Soviet models and despite his strong anti-bureaucratic commitment, in this area, Guevara's ideas were far from clear.

Che Guevara died on October 8, 1967: a date which will live forever in the millennial calendar of oppressed humanity's long march to self-emancipation. Bullets killed the freedom fighter, but they could never kill his ideas, his hopes, and his dreams. To their rage and disappointment, those who killed Emiliano Zapata, Rosa Luxemburg, Leon Trotsky, and Ernesto Che Guevara have seen their victims' ideas survive and take root in the consciousness of new generations who take up the struggle.

After the fall of the Berlin Wall, the end of the authoritarian regimes in Eastern Europe, the triumph of capitalist global expansion, and the hegemony of neo-liberalist ideologies, the world today seems light years away from that of Ernesto Guevara's life and struggle. But for those who do not believe in the pseudo-Hegelian "end of history", or in the eternal life of a liberal/capitalist market economy, and for those who oppose the appalling social injustices inherent in such a system and who oppose the marginalisation of people in the South by the "new world order", Che's revolutionary humanist message is still a window opening on the future.

EuroMarch: A step forward for the radical

left

7 July 1997, by Jean Dupont

This four-hour demonstration was the culmination of 18 marches against unemployment, job insecurity and marginalisation which had converged from all corners of Europe in the nine weeks leading up to the EU Inter-Governmental Conference in Amsterdam.



The Fourth International played an important role in the organising efforts in most countries. The 50,000 activists who attended the final rally in Amsterdam also included reasonably-sized Green contingents and a fair number of anarchists and "autonomous" currents. Other Trotskyist and Maoist groups also mobilised for the final demonstration.

This is certainly a success. But in itself is obviously not enough to shake the European Union to its foundations. While EuroMarch organisers were generally very happy with the final results, they regret the lack of interest

in the campaign from the left wing of the social democratic movements. And Italy's Refounded Communists, Germany's PDS and the Greek Communist Party were the only Communist Parties to give significant support to the campaign.

The motor for the campaign was the French AC! unemployed movement, and radical networks in the French and Italian trade union movement. All areas where Fourth International supporters have played a major role in recent years. The EuroMarches were a further sign that a significant minority of the European labour movement is now organised largely or completely independently of the old social-democratic and Stalinist bureaucracies.

The political and media impact of the EuroMarches exceeded the expectations (and the real weight) of the movement which has been built up around the EuroMarch campaign. In fact, the bulk of support for the EuroMarches came from the radical

left. In most countries, the reformist left was interested in the marches, but rarely contributed more than moral or minimum practical support.

The march co-incided with a five-day counter-summit, now a traditional response to the bi-annual summits of EU heads of state. About 2,500 people attended workshops and meetings on a wide range of questions: employment, ecology, militarism, the third world and feminism. Most of the participants were Dutch, but the organising committee built on the experience of previous counter-summits, and invited an impressive range of speakers from both European and non-European countries.

The most striking aspect of the "Summit from Below" was not the pluralism of style and opinion (which is now a normal part of this kind of meeting) but the common ground which has been established. This testifies to a step forward in the Europeanisation of the social and political movement.

EuroMarch v unemployment reaches Amsterdam

7 July 1997, by Christophe Aguiton , Robert Cremieux



During the marches, 1,000 meetings between unemployed and working people were held across Europe. The passage of a march was usually an important moment for joint activity by local groups working against

unemployment and exclusion. In Paris, the National Bank was briefly occupied.

The marches had an impact outside the borders of the European Union. Committees were set up in Switzerland and Norway, and one of the marches was launched in Sarajevo and Tuzla, Bosnia-Herzegovina. As

well as eight Bosnian marchers, the final gathering in Amsterdam included delegations from Turkey, Albania, Arab-speaking North Africa, and even the Americas!

The march and rally in Amsterdam on June 14 is the most important all-European demonstration to date. The march for jobs organised in Brussels

earlier this year, to protest the de-localisation of the Renault-Vilvorde plant to Spain, was larger (70,000 participants). But almost all came from Belgium itself, and neighbouring France. In contrast, the EuroMarch demonstration in Amsterdam included thousands of French, Belgians and Germans, hundreds of Greeks, Spaniards, Danes, Swedes and British, and over 100 Finns.

This unprecedented breadth of participation illustrates the growing consciousness of the importance of European-wide negotiations between the governments. After left electoral victories in Italy, Britain and France, and a growing concern about social issues in Germany, the EU's largest, richest and most populous member state, everything "ought" to be open for re-discussion. But as always, social questions have passed into the background, while European leaders debate the extension of the single (common) market for goods and services.

Inevitably, European governments will be more interested in the practical steps to take as the new single currency is introduced in early 1988. They will discuss which countries can and should adopt the "euro", and decide whether or not to soften the criteria for participation, so as to allow Spain and maybe Italy to participate.

This debate on European Monetary Union will continue to dominate the continent's newspapers. The Italian and Spanish governments consider a block on their participation as an insult. The French Socialist Party won the recent election on the basis of a call for softer convergence criteria, and the participation of the south European countries. Meanwhile, in Germany, the suggestion to revalue the country's gold reserves, so as to "magically" reduce the budget deficit, has provoked a serious confrontation between Chancellor Kohl and the influential Bundesbank.

A different Europe

A commitment to social progress in Europe would mean tearing up not only the Maastricht Treaty, which

fixes the criteria for European Monetary Union (EMU), but also the Stability Pact signed in Dublin at the end of last year. This second agreement locks in the economic convergence criteria, even after EMU, confining participating economies in a neo-liberal straight-jacket for years to come.

Another policy in Europe is possible! A policy prioritising employment, and facilitating a co-ordinated reduction in the working week. This would give the unemployed and marginalised the chance to work, at a decent salary. It could reverse the growing job insecurity in European countries. This is the real European debate for the months to come.

The EuroMarch organising committees took a clear stand on these issues. The Maastricht Treaty convergence criteria are unacceptable. They are arguments to justify severe cuts in social budgets all over the European Union: even in countries which will not be in the "first round" of EMU.

Common demands

The social movement for "a different Europe" laid the basis for an alternative priorities during the June 1996 Counter-summit in Florence, Italy. Associations and trade union currents there initiated what became the EuroMarch committees, which finally met in Brussels in February this year. Over 500 militants from across the continent widened the "Florence demands," establishing a number of areas of broad agreement between the social movements in the different countries.

There is, for example, general agreement around demands for immediate measures against social marginalisation, and ensuring that the unemployed have decent living conditions. In most countries, the participants fully support campaigns to prevent the eviction of the unemployed from their homes, the disconnection of their gas, water or electricity. The tendency is to recognise a series of fundamental rights, and demand that resources be found so as to ensure all can benefit

from housing, education, health care and so on.

There is also general agreement on the main demands, which everyone recognises must centre on the sustained reduction in the unemployment rate. There must be massive job-creation programmes, particularly in sectors like health and education, where there are massive, unsatisfied social needs. And the working week should be cut, right across Europe. Without reducing the earning power of working people!

There is agreement on these issues, despite the real differences in political culture and national priorities across Europe. In Britain, there is no minimum wage or legal limit on the number of hours you can be asked to work. While British EuroMarchers are obviously in favour of a reduction in the working week, they preferred to stress the importance of a decent income and full employment. In other words, a reversal of the reforms of the Thatcher years.

Meanwhile, German unemployed groups are most concerned about "forced labour" — new regulations forcing the unemployed to accept any job offered, whatever the conditions, or lose part of their unemployment benefits. In western Germany, mass unemployment is a recent phenomena, and a larger part of the population believes that those without work are not really looking, compared to most other countries.

Obviously, there is no fundamental contradiction between the priorities of the British and German unemployed movements. But it takes time to establish a common platform.

The second 'great debate' in the EuroMarch campaign was over the nature of the European integration project. Participants from Denmark, and from the EU's newest members, Sweden and Finland, see the European project as a handicap to popular aspirations. They insist that movements like the EuroMarches should make no demands leading to the reinforcement of the European Union's institutions (such as European legislation on collective bargaining).

Reforming the European Union?

In other continental countries, many EuroMarchers consider that the struggle for "a different Europe" should take the path of elaboration of pan-European demands. If satisfied, such demands would expand the existing European Union structures, particularly in the social field.

There is no quick solution to this differentiation. But the form that popular mobilisations take in the coming months and years will have a clear influence in the strategic debate. If mobilisations remain essentially within the national framework, then this is the level at which people will perceive the political and social confrontation. But if it is possible to develop pan-European struggles, then it will be easier to put forward collective demands, thus elaborating another strategy for "really building Europe."

If Europe is to develop in the direction we want, we need pan-European social movements. It may even be that such movements are essential for any type of European construction. A Europe build only on a free market of merchandise, services and capital, and reinforced only by a bureaucratic technostructure in Brussels, would probably crack at the first real shock. Imagine a second French public sector

strike, like in November-December 1995. But this time confronting decisions made by the European Commission and the new monetary authority in Frankfurt, Germany, rather than the French state. In such a situation, the French government would surely withdraw from the common monetary mechanisms, just like Britain and Italy withdrew from the European Monetary System (EMS) a few years ago. This shows how fragile the European construction still is.

European identity

A European identity can only be built through common struggles, and common protests. In this sense, 1997 will probably be remembered as the year when truly European mobilisations emerged. Previous pan-European initiatives, like the co-ordinated railway strikes in 1992, have been few in number, and usually confined to a specific professional group. The impact on public opinion has been very slight.

In contrast, the first half of 1992 has seen a succession of events. First came the protests against Renault's decision to close its car factory in Vilvorde, Belgium, in favour of a lower-wage site in Spain. The vibrant protest of Renault workers struck a cord in public opinion, mainly in Belgium and France, but also further afield. Then the European Trade

Union Confederation [a pressure group of national trade union leaders — IV] organised an EU wide day of protest on 28 May. Finally, the EuroMarches assembled 50,000 Europeans in Amsterdam to protest against unemployment, job security and marginalisation.

These challenges to the neo-liberal and technocrat management of European integration have forced the question of social measures at the European scale into the political centre-stage. And they have made credible the idea of pan-European political mobilisation.

For the EuroMarch network, the priority now is to develop a horizontal network which can support trans-European mobilisations. Not to compete with the existing structures - the European Trade Union Confederation and the European Network of Unemployed (ENU) But to reinforce them. ENU, for example, contains unemployed groups with very different practices.

EuroMarchers have learned to respect these differences, to learn from diversity, and to build a coherent, pluralist campaign. The march on Amsterdam also helped consolidate national federations of unemployment organisations in countries like Italy where they did not previously exist.

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"End of an era" for state unionism

7 July 1997, by **Dan La Botz**

According to Mexican Labor News and Analysis, "Velazquez probably did more than any other single individual to keep Mexican workers in a position of subordination to the Mexican government, the Institutional Revolutionary Party (PRI) and the employers."

"Don Fidel's" death will lead to a succession struggle within the CTM,

and could open the way for a more democratic labour movement in Mexico. The Mexican labour movement has recently divided into three different currents: the CTM, the rival Foro group of unions, and their allies in the May First Inter-Union group. Velazquez's death will encourage the process of political redefinition and reorganisation taking

place in the labour movement.



The death of Velazquez, so soon before the July 6 national elections, will also hurt the ruling Institutional Revolutionary Party and help the principal opposition parties, the

National Action Party (PAN) and the Party of the Democratic Revolution (PRD). The PRD and its candidate for mayor of Mexico City, Cuauhtemoc Cardenas, have the most to gain from Velazquez's death.

Velazquez spent over 60 years as one of the principal leaders of Mexican unions and 50 years as head of the Confederation of Mexican Workers (CTM). He drew the unions into a close relationship with the ruling Institutional Revolutionary Party (PRI) and the Mexican state. He was twice elected Senator for the PRI.

Velazquez defended the PRI and the state against every progressive social movement that arose in the last 60 years. Velazquez backed the PRI-state in crushing the industrial union movement of the 1940s, supported the PRI-government in using the Mexican Army to break the railroad workers strike in 1959. He backed the PRI-government's use of the army in the

massacre of 300 students at Tlatelolco in 1968, and supported the smashing of the electrical workers union and the Democratic Tendency in 1975. It was Velazquez who first called for expelling Cuauhtemoc Cardenas and the Democratic Current from the PRI in 1987. Velazquez also opposed the Chiapas Rebellion of 1994 and the Zapatista Army of National Liberation (EZLN) which led it.

Throughout his career, Velazquez was an opponent of all rank and file initiatives from below, and squashed any signs of independence or autonomy on the part of the workers. Under Velazquez the CTM became famous for "protection contracts", negotiated to protect employers from more militant unions, for "ghost unions", known only to the state and the bosses and unknown to the workers, for the use of gangsters and thugs to beat and even assassinate democratic or independent movements. By the 1990s, Mexicans

were the lowest paid industrial workers in the world, most earning between three and ten U.S. dollars per day.

Velazquez's square head, dark-rimmed glasses, and big cigar became over the decades a symbol of the conservative, corrupt, and violent labour bureaucracy, and of the most reactionary sectors of the Institutional Revolutionary Party. Velazquez came to be seen as the biggest and oldest of the "dinosaurs", who represented all that was worst about Mexican labour unions and politics.

Velazquez's successor as head of the CTM, Leonardo Rodriguez Alcaine, 78 years old, continues the policies of his predecessor. But Rodriguez Alcaine may find that the CTM-organisation begins to crumble beneath him, now that "Don Fidel" is gone. [15]

Source: Mexican Labor News and Analysis.

Pouring oil on troubled heads

7 July 1997, by Jean Dupont

President Fabian Alarcon is the winner, but the results show that the crisis has not been resolved. The spirit of the popular mobilisation is still tangible, even if the democratic movement is on the defensive.

The radical democratic mood in the population following the February victory revealed the existence of two proposals for solving the country's crisis: the traditional, conservative strategy of little reforms which do not threaten the status quo, and a popular strategy of demands, most clearly expressed in those heady days of February.

But while the country's dominant sectors began actively re-building a wide bourgeois coalition, the popular masses, and the democratic currents, seemed to lose all orientation. The conservative strategy came centre-stage.

In early February, more than three million citizens participated in public demonstrations demanding the departure of President Bucaram. Two weeks later, a large majority of parliamentarians voted to approve the establishment candidate, Heinz Moeller, as President of the National Congress.

Only three deputies swam against the tide. [16] Rosendo Rojas, of Democracia Socialista, rejected the claim that Moeller's election "represented the culmination of the popular mandate".

This vote made it more difficult to maintain the independent popular mobilisation, and increased the dynamic towards a conservative solution to the crisis.

The parliamentary re-shuffle was more than the selection of a new

establishment candidate. For the first time, the main forces of the social and political left entered into a system of co-government with the country's right-wing forces. In doing so, they disarmed themselves.

The May referendum was an important confirmation of the institutional solution to the political crisis opened when mass protest toppled Bucaram. As Hoy newspaper commented the morning after the referendum, "This result consolidates the authority of the current government, and converts the transformation which took place in February into an exceptional series of events, which cannot be taken as a precedent for any type of political manoeuvres [in the future], because those events have been co-validated in the ballot-box — the main source of democratic power."

In fact, most voters voted against their own interests, becoming the victims of left leaders who saw in the events of February nothing more than a great opportunity to win minor, ephemeral positions in the power hierarchy. All "types of political manoeuvres" will indeed take place, but the referendum has reserved this privilege for the dominant classes, giving them the right to interpret the events of February as they see fit.

The day after the referendum, Ecuador Radio reported the demands of "the business community" that Alarcón react firmly to the strikes in the health sector and elsewhere. With the referendum over, "Alarcón should govern. Nothing should stop him now. The country cannot continue to be paralysed."

Twenty-four hours later Ecuavisa television news hardened its own tone in reports on the health strike. The following day, most media reported favourably to Alarcón's tough economic measures to reduce the public sector deficit.

Painting over the cracks

The system does not appreciate cracks, never mind open ruptures. When faced with an upsurge in popular self-management, and self-representation, the elite searches desperately to close all cracks in the system from above. The masses must never be allowed to participate in power in anything other than a subordinate role. Closing ranks, the country's elite took a range of measures to reform, and re-assert, traditional authority.

- Attacking parliamentary corruption, by targeting 17 deputies, (though not the most important) and beginning corruption investigations against Bucaram and some of his closest collaborators (most of whom have disappeared).

- Consolidating control of the key functions of the state. No changes to the leadership of the Armed Forces and the Police.

- Consolidation of a new, pro-government majority in the parliament, led by the Social Christian Party. Elimination of obstacles and opponents of the presentation of a united right-wing front, presenting a single candidate, as moderate as possible, and "in the spirit of February 5th".

- Preparing constitutional reforms, but from the top down only. Heinz Moeller wants no kind of constituent assembly, and nor does the government majority in parliament.

- Co-option de facto of most of the political and social left. Most of the opposition (and many former Bucaram supporters) have effectively pledged subordinate allegiance to this majority.

- Re-starting the privatisation programme, and promising a range of neo-liberal economic "adjustments". Re-opening negotiations with international bodies.

Bucaram is not the root of the problem

The crisis in the political system didn't start with Abdal Bucaram, even though Alarcón and other of the former President's former associates would like to re-write history that way. The leprosy of Ecuadorian politics began in 1995, when vice-President Alberto Dahik fled to avoid corruption charges. Ever since then, the traditional system of authoritarian government, and an almost non-existent popular opposition was threatened. Bucaram's populist, corrupt politics was one response to this crisis. But during his brief rule, the economy did not recover from the shock it suffered under Dahik. As a result, the ambitious privatisation programme ran in to objections from within the elite, which combined with resistance from below, to block the programme.

Stability

For the elite, the "problem" with Bucaram and his government was that its excesses threatened the continued hegemony of the bourgeoisie. To restore "governability," the ruling class now wants those on the bottom to join an active consensus with those in power. The popular opposition is condemned to return to its previous virtual non-existence.

The massive Popular Consultation (referendum) was a skilful mix of questions. First came the ratification of the removal of Bucaram by the Congress, under popular pressure. Question two ratified the election of Alarcón as President, again by Congress. These questions are two sides of the same coin. Media hammered home the message that a yes vote on both questions was the only way to ensure stability, and prevent Bucaram from returning to power.

Alarcón invoked the need to send reassuring signals to foreign investors. But his main preoccupation was to strengthen his already powerful government, which is already determined both to implement the "required" neo-liberal reforms, and deal with an signs of "anarchy" from the popular masses. Not surprisingly, since Bucaram was toppled there has been a growth of partial struggles, particularly a long strike by public health sector workers.

Alarcón hoped that a yes vote in the referendum would not only legitimise him, but reduce the popular legitimacy which those who led the radical currents during the February movement still hold. In other words, the government proposed the referendum not just to weaken Bucaram, but also to weaken the left-wing coalition Pachakutik-Nuevo Pais, the only force which represents a left opposition to the new regime. Pachakutik called for a no vote on the second question.

To try to maximise popular support during this period, the Alarcón government has increased import tariffs (to the displeasure of the "international community,") and

created a new Secretariat of Indian Affairs.

Results

For the government and media of Ecuador, the poor hardly even exist. Those in power showed little interest in the 40% of citizens who did not bother voting in the referendum. Though these were the same people as marched in the streets on 5 February.

Nevertheless, the deep effects of the February mobilisation did show through.

- Over 74% of voters approved the destitution of Bucaram.

- The February movement called for a National Constituent Assembly to draft a new constitution. A partial victory was achieved with the 59% support for proposal three in the referendum, which called for a National Assembly to do the same. This will provide some scope for popular mobilisation, though less than in the initial demand for a Constituent Assembly.

- A majority of voters rejected the main parties' proposal to restrict proportional representation in parliamentary elections (Question 7). This will help block the creation of a rightist political monopoly, in close collaboration with business interests.

- A majority of participants voted to include the people's right to depose their rulers in the constitution.

On the negative side, 65% ratified Alarcon's election. This has enabled the new President to present himself

as the unique representative of the popular mandate of February 5th. Apart from Pachakutik, and, for their own reasons, parts of the establishment led by Vice-President Rosala Arteaga, there was little real opposition on this question.

Candidates for election to the National Assembly must be proposed by parties and political movements. This obviously represents a defeat for the social movements and citizens' groups. The right has majority control over the Supreme Electoral Tribunal. This too will ensure the continued hegemony of the major parties. Society as such still has no role in the selection of judges.

So why did most ordinary people vote the way their enemies wanted them to? Assuming that they bothered to vote at all, of course. Mainly because they had no clear alternative before them. No proposition which would have maintained the radical democracy of the February movement. As a result, when facing uncertainty and crisis, and without "their own" political organisations to act as a reference point, people vote for whoever seems to offer stability.

The left fails to present an alternative

The left, in Pachakutik-Nuevo Pais, failed to establish a credible mass leadership, both during and after the February mobilisations. We administered our own little preoccupations, and were unable to make an overview of the interests of

the whole popular movement. As a result, we contributed to the strengthening of the clientelist, reformist and parliamentarist phenomena which have dominated the opposition in Ecuador and elsewhere.

As so often before in the country's history, most of the opposition is unable to resist the offer of a government job, or a few seconds on television. This kind of outlook has enabled the regime to refresh the make-up on the face of the state. The situation is now more favourable than before for the introduction of neo-liberal policies. And the ruling classes have successfully drawn the wind from the sails of the popular movement of February.

But this government victory does not guarantee them a solution to the crisis facing the country. As before, Ecuador waits with its unsatisfied social demands, while the political class reforms itself. The struggle for a democratic rupture with this political system continues. Though the conditions for the popular cause are worsening. The immediate struggle is for a National Constituent Assembly, and against privatisation. In this struggle, we must strive for popular unity and independence of the major parties, so as to be ready when the next elections come. Those in the movement who had forgotten that we were living in a context of class struggle should wake up. The bourgeoisie in Ecuador never forgot this basic political truth.

Based on an article by Fernando Lopez in Revuelta #2, June 1997, published by Democracia Socialista, Ecuadorian section of the Fourth International.

Fundamentalist fall?

7 July 1997, by **Erdal Tan**

Military and public pressure in recent weeks de-stabilised former Prime Minister Ciller's conservative True Pathparty (DYP) to the point where

fifteen deputies switched their allegiance to the opposition. But the governing coalition between the DYP and the larger, Islamic fundamentalist

Prosperity Party (Refah) survived a vote of confidence, by the narrow margin of four votes.

Many wavering deputies were won back to the government benches by Ciller's husband, who's shady role between government and business circles has earned him the nickname "Mr Ten Percent." Some deputies were tempted back by fat commissions, others blackmailed with threats of exposure of their past corrupt deals.

Nevertheless, Ciller and Refah leader Erbakan had less and less room for manoeuvre, in the face of the opposition of Turkey's powerful generals to the fundamentalist's continued presence in government. Recognising the precariousness of their situation, they called a new general election. Erbakan even promised to surrender the post of prime minister to Ciller, whose DYP was the junior party in the government.

By inviting Mesut Yilmaz to form a new government, Turkey's president Suleman Demirel has blocked this plan. Yilmaz has the agreement of both social democratic parties, and dissidents from Ciller's party, to form a new, non-clerical coalition, which can count with the support of the army, the bourgeoisie and the media.

The generals v Refah

The crisis is far from over. What is certain, however, is that the army, which represents the general interests of the regime, has gone too far in its struggle against the government to be able to pull back.

The army recently convinced the Public Prosecutor to request that the Constitutional Court dissolve Refah, which he accuses of "wanting to provoke a civil war" and "install an Islamic regime," in contradiction to the non-clerical framework installed by modern Turkey's founding fathers after the first world war.

This is the first time in history that a Constitutional Court will consider the dissolution as anti-constitutional of a party which is in government, on the basis of 21% of votes in the last general election. A party which

includes both the Prime Minister and the Minister of Justice. At least this proves that the Turkish judicial system is independent of some parts of the executive!

The army has also accused the government of "cutting off funds," by refusing to finance the recent intervention into Northern Iraq to combat the separatist Kurdish Workers Party (PKK). [Official Turkish sources report 2,000 PKK deaths].

As in any other self-respecting bourgeois state, denying the army the resources they need to defend the motherland is equivalent to treason. If the current crisis ends in another military coup d'Etat, this could be a pretext for the imprisonment or even execution of Erbakan and Ciller. But the short term objective is more modest — to spread panic among deputies from Ciller's DYP party, and encourage them to support the opposition against their former colleagues.

Last round

A merciless struggle is underway between the generals and the Ciller-Erbakan grouping. In the short and medium term, the balance of forces seems more favourable to the generals. So the main question is whether they will be able to remove the current government by "democratic parliamentary" means, or at least by manoeuvres which will protect the democratic facade of the regime, without threatening the major capitalists' projects for closer integration with the European Union. Or whether there will be another Coup d'Etat, which in the current situation could degenerate into a semi-civil-war.

In the long term, everything depends on the capacity of the bourgeoisie and its political personnel to reform the political and institutional system to the point where they can present a new bourgeois alternative, sufficiently credible to win the passivity of the masses.

In the immediate, all depends on how many of Ciller's deputies can be frightened into voting against their own party, even if this means loosing

their place at the trough, and having their past misdeeds publicised by Mr Ten Percent.

The "enemy within"

As the recent military alliance with Israel shows, the Turkish general staff has modified its global strategy in recent years. After 50 years of strategy designed to contain a "principle threat" defined as "the external communist danger, with a Fifth Column inside the country," the new preoccupation of the armed forces is the "threat posed by the internal enemy and its external supporters." This threat has been openly described by top generals as "Kurdish separatist terrorism and the fundamentalist threat."

The entire "security" apparatus (police, judiciary, defence forces, secret services and diplomatic corps) has been instructed to adapt itself to this new overall strategy. The ideological propaganda machine is toning down the anti-communism, and stressing unitary nationalism and the non-clerical principles of "the father of modern Turkey," Kemal Ataturk.

In foreign policy, the new "enemies" are those who support the PKK and the Islamic fundamentalists: Syria and Iran. The Turkish state intends to impose this global strategy on each and every bourgeois government which the country may elect, whatever the nuances of programme and outlook between the political parties concerned!

Ruling class divided

The current crisis reveals a triangular struggle within the bourgeoisie. The main actor is the large, traditional industrial bourgeoisie, and its allies in the small business sector, the army, the media and the parliamentary opposition (including the social democrats). The political project of this fraction of the bourgeoisie is the integration of Turkey with the European Union, and a bourgeois

democratic set-up more or less comparable with those of the European countries.

This fraction of the ruling class seeks to gain the support of the working class and the progressive intelligentsia for this project, by frightening them with the spectre of Islamic fundamentalism. By offering "democratisation," they hope to win the left's support for privatisation and re-structuring. The process has certain parallels to Spain's "Moncloa Pact" which ensured a stable transition from dictatorship to bourgeois democracy.

The second force in this triangular struggle is the Islamic fundamentalist sector of the bourgeoisie, which is particularly strong among the middle-size companies in central Turkey. This current, politically represented by the Refah (Prosperity) party, is trying to win the support of the pauperised and semi-proletarian layers of urban society, and the Kurdish peasantry, in the name of an elusive "religious fraternity and solidarity." The fundamentalist wing of capital hopes

to break the power of the grand, classical bourgeoisie, by creating a reserved "Islamic economy," based on "the specific consumption patterns and lifestyles of the Islamic ghettos."

Internationally, Refah would like Turkey to distance itself from the European Union, and adopt a neo-protectionist economic system. The middle east and south-east Asia would become Turkey's preferred markets. The Islamic bourgeoisie probably controls a turnover of US\$2 billion, with \$800m. of exports, mainly to the Middle East.

The third sector of the bourgeoisie exists in the "parallel" or Mafia economy. This sector grew rapidly in the Kurdish region during the "dirty war," and all over Turkey during the neo-liberal "miracle" of the late 1980s and early 90s, under President Turgutal. This sector looks for support to lumpenised (depressed) sectors of the proletariat and intelligentsia, appealing to them on a "nationalist" basis.

The police force and landowner layers are also a fertile base of support for this current. Ciller's DYP used to be allied to the grand bourgeoisie. But under the growing threat of investigation for corruption, Ciller switched alliances, and formed a coalition with the fundamentalists. Much of her party's support now comes from this "parallel" sector. Ciller's switch is at the origin of the current political confusion. Even the fascist Grey Wolves (MHP) have been thrown into a crisis of orientation, deepened by the death of their historic leader.

The working people of Turkey, and the Kurds, stand to pay the costs of this internal, confused battle between bourgeois factions. Unless, of course, they can develop a pragmatic, intelligent strategy to compensate for the unfavourable balance of forces. Without a clear orientation of class independence and the defence of democratic and social rights, the working class may be side-tracked into one of several possible false, catastrophic alliances, or slumber in criminal passivity.

"No to the fundamentalists! No to the generals!"

7 July 1997, by Erdal Tan

At a moment when Turkish politics seemed polarised between pro-military and fundamentalist-nationalist poles, this audacious initiative is widely considered as the high point of the Ā-DP's one-year existence. It demonstrated the legitimacy of the "third way," and stressed democratic demands at a time when some "democrats" are increasingly sympathetic to a coup d'etat. It was the largest autonomous far-left

inspired demonstration since the 1970s.

The demonstration took place in Sultanahmet square, scene of an earlier demonstration of 100,000 Refah supporters, protesting the army's intention to close most of the religious secondary schools. The Ā-DP subsequently called a "press conference" in downtown Ankara, which attracted 25,000 people. A

similar number had joined the Ā-DP contingent at Ankara's May Day parade earlier this year. Party leaders talk of "a rise in the movement, these last several months."

The Ā-DP is not yet seen as a credible alternative to the big parties. But thanks to initiatives like this demonstration, it is increasingly perceived as a serious, legitimate pole to the left of social democracy.

More of the same

7 July 1997, by **Harold Lavender**

Canadian imperialism increasingly sees its future in prying open the global economy for foreign investment and exports (by extending the North American Free Trade Area NAFTA to the rest of Latin America and above all by developing Asia-Pacific integration via APEC (Asia Pacific Economic Co-operation)).

Domestically a drive to become "internationally competitive", and "fight the deficit" through neo-liberal cutbacks federally and provincially are driving down popular living standards.

In office since 1993, Jean Cretien's Liberal Party have succeeded in imposing the most draconian cutbacks in social spending in the post-war era. Responsibility is being passed to the provinces through multi-billion dollar cuts in transfer payments for health, post-secondary education and welfare. Despite promises of job creation, official unemployment under the Liberals is still nearly 10% (and much higher for youth). The lot of the poor is increasingly desperate because of major cutbacks in eligibility for unemployment insurance and welfare.

None of this has led to a mass radicalisation or political shift to the left by the majority of the working class. The Liberal's parliamentary majority and share of the popular vote (38%) was less than expected. The result suggests an undercurrent of mass insecurity and disaffection — although anti-elitist anger is currently being expressed in very fragmentary ways. Public lack of confidence in politicians and politics was reflected in falling voter turnout. At 67%, this was Canada's lowest turnout in more than 50 years.

The Liberals sought re-election on the basis of their economic record, including their success in reducing the "deficit," coupled with promises for the gullible of better times ahead. They suggested jobs would increase in

a favourable business climate and that once the war on the deficit had been won there would be fewer cuts and more money could be freed to address issues like child poverty.

The most overtly right-wing parties, the Conservatives and the Reform Party, raised issues like tax cuts for the wealthy and law and order. But they failed to make an electoral breakthrough. The Liberals largely stole their economic agenda, and particularly in Ontario, the most populous province, the right-wing vote was evenly split between Reform and Conservatives.

Among the issues largely ignored in this election were the negative impact of global capitalist economic restructuring, massive government cutbacks in social spending, mass joblessness and underemployment, deepening poverty, no future for youth, attacks on affirmative action on women's and gay lesbian and rights, racism against visible minority immigrants and first nations, first nations' right to sovereignty and accelerating environmental destruction.

Social Democracy

The vote of the social democratic New Democratic Party rose modestly from 7 to 11%. But it scored a breakthrough in the Atlantic provinces. Canada's poorest region has been devastated by mass unemployment and government cutbacks. The NDP succeeded in its very limited goal of electing more NDP members to Parliament and regaining its official parliamentary party status. But it failed to win back most of the working class votes lost in 1993, when its support plummeted from 21 to 7% of votes.

The NDP criticised Liberal promises as utterly worthless given their past

record, and demanded "real targets on jobs" and greater commitments on social programs. But while the NDP campaign reached some people, it failed to have an impact in most regions.

The irrelevance and failure of social democracy was particularly evident in the industrial heartland of Ontario, where the NDP won no seats and only 11% of the vote. In Ontario last year, some 200,000 people took part in a Toronto protest against the "slash-and-burn" policies of the Harris provincial government. However, this failed to translate into electoral support for the federal NDP.

This partly reflects the capitalist stranglehold over the media and political discourse. But it also points to a host of political problems. This includes a recent impasse and downturn in mass struggle against the Harris government due to a split within the labour bureaucracy and a retreat from organising days of action, as well as a lack of broader political radicalism of the movement, which has focused on the policies of a particularly reactionary provincial government without making the links to federal cutbacks let alone the capitalist roots of the attacks.

Voters also remembered the NDP provincial government in Ontario which bowed to the neo-liberal agenda and imposed an anti-worker social contract. Since being defeated, the NDP has shown itself unwilling and unable to play a positive role in building mass extra-parliamentary struggles. Nevertheless, the NDP continues to survive as limited parliamentary force and it is not about to disappear.

Many on the left feel extremely dissatisfied with the NDP. But the question remains, How to create a mass political alternative?

Talk of creating a new labour party has died down. The NDP maintains its social democratic character as a reformist workers party with a pro-capitalist program. In the campaign, party leader Alexa McDonough did speak out for jobs and against cutbacks, especially in health care and education. but she also identified with the record of NDP provincial governments, which have imposed cutbacks and attacked the poor while in office.

There is little reason to expect a major change. The NDP did well enough, especially in McDonough's Atlantic region, that a leadership challenge seems unlikely. Most of the labour bureaucracy remains loyal to the NDP, even though, in many cases they are unable to convince their members.

But there is little real renewal of the NDP, whose membership is growing increasingly old. It is certainly failing to win over a new generation of youth, which is increasingly cynical and despairing of the existing political process.

No consensus on the far left

Mirroring the general extreme fragmentation of politics in the Canadian state, there is no consensus among individuals and the very small socialist groups to the left of the NDP about how to respond.

Some radicals campaigned for specific NDP candidates, "to have more critical voices in Parliament." Some said one should vote NDP, but that working inside the NDP and the election campaign itself were largely irrelevant to social change which must come from independent mobilisation and grass roots organising from below. Others weren't prepared to vote NDP, pointing to the strongly pro-capitalist record of the NDP in provincial governments.

The creation of significant alternative socialist campaigns was hamstrung by a shortening of the campaign period, increased financial barriers, election rules that requires groups to run at least 50 candidates to be a legally registered party and above all Canada's first-past-the-post electoral system.

There is growing support for proportional representation, partly because of the extreme regional distortions in the federal result. The Green Party, which seems to be consolidating a small electoral base in British Columbia where environmental conflicts are hottest, could have won representation under some PR systems. But for now the large majority on the left will probably focus their attention on extra parliamentary issues, building a diverse series of movements and seeking to strengthen resistance to the multiple fronts of the capitalist offensive.

Facing up to the

national question

However, the left in English-speaking Canada could face a severe challenge if developments in Quebec lead to the break-up of the federal state. Given the weakness of independent working class politics and the left, such a split would almost certainly take place in an unfavourable climate.

The NDP's Canadian nationalism leads it to hostility and a total lack of sympathy to Quebec nationalism. In return, the NDP was totally repudiated in Quebec, winning only 2% of the vote. The NDP is formally in favour of Quebec self-determination, but not unconditionally. When asked if she would respect a Quebec vote to separate, NDP leader McDonough gave the totally equivocal response that "it all depends."

The NDP's lack of will to commit to a principled unconditional defence of self-determination extends into much if not all the labour movement and the broad left, which is very reluctant to take up the issue. This reflects a widespread lack of consciousness in English Canada on the history and political significance of national oppression of the Quebecois within the Canadian state. Moreover, most of the left and the labour movement have failed to distinguish politically between the current highly unattractive pro-capitalist nationalist leadership of the Quebec struggle and legitimate national demands.

Strategic crisis in the nationalist movement

7 July 1997, by Bernard Rioux

On the national question too, Prime Minister Bouchard has made a series of concessions. He withdrew his pledge to call a snap election if the federal government challenged the constitutional legality of any future referendum on sovereignty. He promised that there would be no new referendum for three years, at least.

He has retreated on the defence of the position of the French language in Quebec.

The Parti Quebecois administration is even participating in the Team Canada commercial mission! In short, the hegemonisation of the pro-sovereignty movement by the neo-liberal current

which is in favour of free trade with the USA has seriously undermined the coherence of and popular support for the referendum struggle for sovereignty and independence. The main factor preventing the disintegration of the pro-sovereignty bloc was, paradoxically, the intransigence of the federal

government and its determination to refuse Quebec the right of self-determination...

The crisis is so deep that a debate on the strategy of the pro-sovereignty movement cannot be avoided. The left-

wing of the independence movement is trying to link the struggle for independence to the struggle against neo-liberalism. This strategy places the struggle for independence in the perspective of the creation of an

egalitarian society, an alliance with the indigenous peoples, and the working and oppressed classes across the Canadian state. Such a strategy implies a total rupture with the Parti Quebecois, and the construction of a pro-independence workers party.

National question won't go away

7 July 1997, by **Harold Lavender**

The election result revealed an ongoing high degree of polarisation around the Quebec question. This was coupled with regional antagonism and very extreme variations in regional voting patterns in the rest of Canada. The Liberals swept Ontario, Canada's most populous province and centre of finance and industry. The right-wing populist Reform party dominated the West, in part by openly fanning the flames of anti-Quebecois racism and national chauvinism.

The results indicated quite clearly that there is no possibility of reforming the Canadian federation to accommodate Quebec's national aspirations. (In a 1995 referendum, over 49% of Quebecers voted for "sovereignty").

The Chretien government asked for voters' trust in national unity. They portrayed the Liberals as Canada's only national party. Only the Liberals, they claimed, are capable of holding Canada together and defeating the threat of "Quebec separatism."

Unwilling and unable to implement any meaningful reform of the Canadian federation, the Chretien government's sole response is challenging the legality of Quebec's right to declare independence. Chretien declared in the election that a Yes vote of 51% of Quebec voters

would not be enough to declare sovereignty.

Many people in the rest of Canada are fed up with 30 years of failure too solve the Quebec question while their own insecurities and problems go unaddressed. Reform Party leader Preston Manning deliberately exploited that alienation. The tactic succeed in solidifying Reform's stronghold as a western regional party, although it failed to work in Ontario where Reform won no seats. Manning campaigned on "zero tolerance for Quebec" — absolutely no concessions to Quebec if it stays in Canada, and a hard line on terms and conditions of separation if it leaves.

Reform promotes a totally distorted concept of equality, in which Canada would become a federation of ten provinces with exactly the same rights; at the same time, a Reform election advertisement appealed to voters not to vote for a prime minister from Quebec.

Partition of Quebec?

Manning also pushed the idea of partitioning Quebec in the event of a Yes vote in a future referendum on independence. Other proponents of

partitioning include both the Cree and Inuit First Nations of northern Quebec and English-speaking enclaves in and around Montreal.

Quebec's pro-sovereignty Parti Quebecois government and its Bloc Quebecois ally in the federal parliament insist that the borders of a future Quebec state are indivisible. But they weaken their own case for national self-determination by denying the same right to aboriginal nations in northern Quebec. In contrast, many Quebec socialists and part of the French speaking population in Quebec accept the right of national self-determination for First Nations.

But there is no sense in a "right of self-determination" for Quebec's largely privileged English-speaking minority. "Les anglophones" in no way constitute a nation. Any attempt to partition Quebec, following the Northern Irish model, can only be totally reactionary.

A majority of English-speakers in the rest of Canada undoubtedly favour a peaceful solution. But in the absence of any kind of campaign to respect Quebec's right to self-determination and freely determine its own destiny, chauvinist forces could easily gain ground if the Quebecers do one day force their independence.

China and Hong Kong - One country - one system

7 July 1997

Why did British rule over Hong Kong manage to go on till the end of the 20th century rather than ending soon after the end of the Second World War, like many other British colonies? Above all because the ruling Communist Party of China chose to tolerate its continuation!

After 1949, economic developments in China have been slow; in contrast, Hong Kong took a faster path of development. Yet, this is not due to the superiority of British rule, but a combination of many factors one of which was the hard work put in by Hong Kong workers. Similar economic "take-offs" can be witnessed in Taiwan or South Korea which have not come under British rule.

The removal of the constraints of British colonial rule, should have given the people of Hong Kong greater mastery over their lives. But such possibilities have been thwarted by the imposition of domination and repression from the Beijing authorities who now control Hong Kong.

Undemocratic and anti-democratic

The formulation of the policy of "one country, two systems" is rhetorically used to promise non-change of the social system in Hong Kong, and yet its formulation and imposition from above have been and will be a deprivation of the right of the people of Hong Kong to decide on the social

system they prefer.

The whole process of transition has been an undemocratic one: the Basic Law Drafting Committee was appointed by Beijing and proposed laws in the interests of Beijing bureaucratic rule and corporate capitalists. The Chief Executive and the Provisional Legislature were not elected democratically.

Some repressive parts of the Public Ordinance Bill have even been restored! The clear intention of the new authorities is to intimidate and restrict struggles by the people for their rights.

The change-over will not mean that the majority of the Hong Kong people will enjoy more rights and freedoms with the fetters of colonial rule gone. Instead, rule by a small minority of Beijing bureaucrats and corporate capitalists means a new period of repression of political freedoms and social and economic rights of the people.

The social and political struggle

The incoming government has already demonstrated its reluctance to improve social welfare or increase public expenditure on health, education or housing, despite a handover of a reserve of US\$90 billion by the British Hong Kong government to the new Hong Kong government.

While the new government has explicitly rejected more spendings on social welfare or social concerns, "Celebrations" of the hand-over will be spending horrendous amounts of money. The fireworks display on July 1 alone costs US\$40 million.

The people of Hong Kong must actively take matters into their own hands rather than wait for benevolent changes from above. Both political and social issues are closely linked. The fights for more spendings on health, education, housing and social welfare in order to improve the quality of living cannot be separate from the struggles to safeguard the political democratic rights of making decisions, access to information, expression of their will, association and political organization, and so on.

Democracy for Hong Kong!

An appropriate focus for the struggles for political and economic rights could be the demand for a democratic election of a Hong Kong People's Congress. This body should make the major decisions relating to Hong Kong. The people of Hong Kong are now much more linked to the people of the mainland. Now that they face common enemies, joining hands against the rule of bureaucrats and capitalists will be much easier. But it will be a hard struggle.

October Review - Vol.24 Issue 3

Capitalist restoration in China

7 July 1997, by **Liu Yufan**

Beijing has appointed a local tycoon, Tung Chee Wah, as the chief executive of the Hong Kong Special Administrative Region (SAR). It has also appointed a Provisional legislature, in which the majority are business men and women. The reason for this, according to the former head of the New China News Agency who fled China after the Tienanmin Square massacre in 1989 is that "preserving capitalism in Hong Kong means capitalists ruling Hong Kong". The Chinese Communist Party has long forged a holy alliance with the Hong Kong bourgeoisie. Their common aim is to crack down on the civil liberties of the Hong Kong people, and to wipe out any potential threat of grass root movement.

The ruling party's Hong Kong policy is extremely right-wing. It equates any increase in social welfare expenditure to "the addiction to opium." According to China's Communist leaders, the rights of Hong Kong people to gamble on horse racing and speculate in the stock market will be guaranteed, while freedom to criticise the Party will not be tolerated. New laws on public order and the right of associations, which became effective on 1st July, crack down on the right of assembly and associations. Any political organisation which merely has a 'link' with foreign political organisations will be breaking the law.

Only the naive could still believe the CCP claim that China remains a socialist state, and it's market economy is "socialist with Chinese characteristics".

"Deng the short" and his fake socialism

When Chinese leader Deng died, the bourgeoisie media all over the world praised him as a great man who opened up China and reformed her economy, so that for the past 15 years, China experienced an impressive

annual growth rate of 9%.

Inside China, people had for several years been singing a bastardised version of the famous pro-Mao Song, 'the Eastern Sky is red'. The new version went "The western sky is red, the sun is going down. In China rises a man, Deng the short. He seeks fortune for himself, he teaches people to be everyone for himself."

The Gini coefficient, a measure of inequality rose from 0.31 in 1979 to 0.434 in 1994. The latter figure is higher than the USA. Yet some Chinese scholar even suggested that the figure is well past 0.5 today. In this sense one may regard Deng as the chief architect of capitalist restoration, with terrible bureaucratic distortion. In the words of another popular rhyme, "a deep rooted feudalism, a fake socialism, a hidden capitalism."

The development of private capital

The CCP 'proved' its adherence to socialism through upholding public ownership. According to officials, although the state sector today only accounts for 40% of Gross Domestic Product, the collective sector (which accounts for a slightly higher proportion) must also be regarded as a form of public ownership, which would make "socialist public ownership" the dominant element of the economy.

According to official statistics, most of the private sector falls into the category of self-employed or family ownership, and there are only about 430,000 capitalist enterprises in the whole of China (except Hong Kong), accounting for only 10% of gross industrial output.

These are very deflated figures. From the beginning of the market reforms, the 'Communist' regime deliberately gave a very loose definition to "self-employment", defining those employing up to seven workers as self-

employed. "Small capitalists" would be a much more accurate description.

Furthermore, much of what is formally described as collective ownership is also fake. Some sources estimate that as much as 83% of rural industrial collectives are in fact capitalist enterprises.

Given that the CCP deliberately hides the facts, no one knows the exact figures. But it is clear that the weight of private capital far exceeds the modest levels.

Even official statistics reveal the limited size of the state sector in industrial output and commerce.

The total assets of the capitalist sector, privately owned stocks, and foreign investment, are an estimated 1,000 billion Yuan, which means that private capital amounts to 1/4 of state assets.

China also has an estimated 1,600 billion Yuan worth of private financial assets. Around 600 billion Yuan, 40%, belong to capitalists and those officials who engage in business, directly or indirectly. This social group numbers 30 million, or only 2.8% of the population. The strength of the capitalist class is clear.

Pro-bourgeois "Communism"

The rapid development of private capitalism is a direct result of the Chinese Communist Party's pro-bourgeois policy. This is more than a 'live and let live' policy. It has been a green light for the bureaucracy to pump resources from the state and collective sectors into the private sector.

The earliest privatisation could be traced back to rural reform in the early eighties, when the People's Communes were being dismantled. Much of the collective property, such as agricultural machinery, was

privatised by the officials.

But it is in industry and commerce where the capitalist economy has developed the fastest. Capitalist continue to hire labour, and buy land and various means of production from the state and collective sectors, generally at rock-bottom prices. Every year the state loses an estimated 20-30 billion Yuan because of the under-pricing of land in sales to private interests.

The existence of a Chinese capitalist economy is the only explanation for a situation where the country consistently experiences high growth rates, yet only 1/3 of state firms are profitable!

One of the reasons for China's success, relative to the former Soviet bloc, is that China is much more backward. The weakness of China's state sector has been transformed into an advantage — not for the state sector itself, but for the capitalist sector.

Rapid industrialisation in 1949-78 failed to modernise the rural sector. The state could hardly provide the rural with sufficient industrial goods. Peasants still mainly used manual labour. In 1949, 89.5% of the population were peasants. By 1978, the proportion had declined only slightly, to 87.5%. While the rural world was formally organised in collectives, in productive terms the rural economy was still dominated by the small peasant sector.

When the communes were dismantled in the early 1980s, the rural world immediately returned to its "true" situation: a sea of individual economic activity. It was through the economic polarisation of this individual economy that capitalism began to flourish. A rise of productivity and a rise in purchasing prices of agricultural products contributed to a growth in the peasantry's purchasing power. The country's new capitalists thus benefited immediately from a largely expanded market.

The resurrection of bureaucratic capital

Private capital is only one (major) component of the capitalist sector. Another important component is "bureaucratic capital," (the private assets of profit-oriented officials and those assets which belong to the state in name but in fact are freely controlled by the profit-oriented official in charge, and of which officials are able to 'pocket' considerable portion.)

Indeed, what is so different from the pre-reform period is that today's bureaucrats are not content with appropriating consumer goods. Nowadays they want to appropriate profit, and to achieve this they have to appropriate capital. This is the origin of bureaucratic capital.

They achieve this accumulation either through setting up their own business, or through utilising state funds in a profit-oriented way. In the context of the "socialist market economy", more and more state firms and all levels of government bodies are madly investing in high return sectors anyway, so the bureaucracy can easily manipulate state funds and reap huge profits.

Planned investment now represents a negligible proportion of total investment. The biggest sources of investment are now the self-raised funds of local governments and state firms. It is this source of capital which is responsible for China's repeated crisis of over-production in various branches of industry, from televisions, refrigerators, washing machines, plastic industry to real estates.

Privatisation

Privatisation in the narrowest sense: the direct sale of state assets into private hands, is still relatively small, although recently it has been accelerating. Li Peng has just announced that up to 240 thousand medium or small state firms will be

transformed into joint stock companies, contracted out or sold. Needless to say, most of these privatisations will take place at rock-bottom prices. In Xian state, one state firm which worth 60 million Yuan was sold at 3.85 million. Land in particular is often "forgotten" or undervalued when the assets of a state firm are assessed prior to privatisation.

In any case, the main form of privatisation in China is not the outright sale of state firms, but rather the establishment of joint venture companies using state resources and private capital. Outright corruption and theft would come close behind.

When state firms enter into joint ventures with private capital, especially with foreign investors, it is common for the officials in charge to transfer a large part of the assets to the private firms in questionable or illegal ways, including deliberately deflating the amount of state assets, refusing to take into account intangible assets like patent, brand name, and sales network, or agreeing to distribute a lower dividend to state shares than to private ones.

An estimated 90% of state assets are not taken into account when joint ventures are founded. In 60% of China's 10,000 joint venture formations to date, there was no prior assets assessment at all! The estimated loss to the state is about 60 billion Yuan. Only 60 joint venture agreements have taken into account the intangible assets (brand name, patent and so on) of the state partner.

Through these channels, bureaucrats have pumped enormous state assets into the hands of private capital and the bureaucracy itself. Indeed, a substantial number of joint ventures are fronts, fake companies set up by officials for the sole purpose of cheating the state.

Nobody knows just how many state assets have been privatised by the bureaucracy. Several years ago one source estimated that between 1982-1992, as much as 5 billion Yuan went 'astray.' More recent estimates have been in the region of 800 billion Yuan. But some specialists believe that the real figure is much higher than this.

Some left commentators have argued that capitalism has not been restored by a long way in the former Soviet bloc, because the private capital needed to privatise the state sector is lacking. This is certainly not the case in China. Private capital on the mainland is already strong enough to buy a substantial portion of state assets. With the addition of Hong Kong capital, this is truer than ever.

But this is not the main point. The bottom line is that, that in a country where there is no tradition of rule by law, let alone democracy, the bureaucracy and the capitalists need not wait until they have saved enough money before asking for privatisation. They can just go ahead, and privatise state property through outright corruption and theft.

The Invasion of foreign capital

China now has 170,000 foreign enterprises, accounting for 12.8% of gross industrial output. As much as 30-50 billion US dollars flow into China every year. Before 1984, foreign investment generated less than 4% of annual fiscal revenue. But in 1995 and 1996 it generated more than 60% of taxes and other fiscal revenue.

The inflow of foreign capital means bankruptcy for more and more local enterprises. This often takes the form of the "collapse" of a state enterprise into a joint venture with a foreign partner which takes more than 50% of shares in the new company. As a result, many traditional or famous Chinese products have already disappeared from the domestic market.

The detergent industry is now mostly controlled by the multinationals. The output of 15 joint venture now accounts for half of gross output. Popular Chinese brands like Panda and Twin Cat have vanished, to be replaced by the products of P&G, Unilever (British) and Kao (Japanese).

In the beer industry, 70% of plants with an output exceeding 50 thousands ton a year have become joint ventures. In most cases, the joint

venture agreement specifies that the Chinese brand becomes the property of the multinational partner. It is then withdrawn from production. Foreign beers like Carlsberg are rapidly driving Chinese brand like Shanghai and Swan from the market.

There are at least 1,000 joint venture and foreign-owned companies in the medical industry. These companies now control the production of 40 of China's best selling medicines.

The 200 joint venture companies in the bicycle industry are driving Chinese brands like the Flying Pigeon and Everlast off the road. The same phenomenon is occurring in sectors ranging from television manufacture to paper, tyre, integrated circuit, and household electric appliance production.

And yet, China has no "objective" economic need to surrender its economic sovereignty. As well as the largest domestic market in the world (in human, if not dollar terms), the country has a savings rate of 45%, and private capital assets of 1,600 billion Yuan.

Market, socialism, and Hong Kong

Until the 1980s, China's economy was excessively restricted. But now there is a market for means of production, a labour market, a partial capital market, and the monopoly of foreign trade has been largely dismantled, to the point where multinationals are beginning to dominate whole sectors of the economy. Capital flight from China is accelerating.

The Chinese Communist Party still claims that the country has a "socialist market economy." This is clearly false. In an economy where labour, land, capital and others means of production can enter the market, major production and accumulation decisions will inevitably be guided by the rate of profit. A market, but not a socialist economy. There has already been repeated over-production in many branches of the economy. The Party still maintains 'macro-regulation', but this is not evidence of

a planned economy. Each and every capitalist government also uses economic levers like interest rate, fiscal policy or taxation for 'macro-regulation.' In China today, the state no longer directly allocates investment funds according to a conscious plan.

When the Sino-British agreement was signed in 1984, one leading tycoon remarked that, 'politically Hong Kong will be annexed by China. But experience will prove that economically it is China which will be annexed by Hong Kong'.

To a certain extent this prophecy has come true. Because of its strength, the Hong Kong bourgeoisie has contributed greatly in promoting the change of nature of the CCP. Hong Kong's population is only equal to 0.005% of Chinese population, but its GDP is 1/5 of China's.

Since the 80s, the economic fusion between Hong Kong and China has been going on rapidly. In just 10 years, more than half of Hong Kong industry moved into southern China to exploit the cheap labour there. In 1980, there were 1 million industrial workers in the colony. By 1992 there were only 400,000. Hong Kong capitalists now employ more than 3.5 million workers in southern China.

Capital from China is flooding into Hong Kong. The city has returned to its old status of an entry port for China, as it was before the 1949 revolution. What is new is that Hong Kong has also become a financial centre for mainland China's new capitalists and bourgeoisified bureaucracy.

A process of convergence has been taking place, ever since the policy of "one country two systems" was announced, to the point that China is no longer one country and two systems. It is one country one system. One capitalist system, to be precise.

The perspective of mass movement

China amended its constitution in 1988 to legalise the capitalist economy, the state character of China had already

started to change. In the economic arena, the capitalist restoration is now largely completed, in the sense that the rate of profit has become the chief regulator of the Chinese economy.

Does this restoration of capitalism mean that the Chinese working class has suffered a historical defeat? That for a long time to come we should not expect the upsurge of the working class? We do not agree with such a position. The further degeneration of the CCP is of course a blow to the working class. But this does not mean that the working class has been defeated in the struggle for power. In reality, the Chinese working class never took hold of state power. They cannot be said to have lost something that they never had.

The bureaucratic socialism developed by the Chinese Communist Party brought certain advantages to the workers. But it never reinforced the political strength of the working class.

When the CCP abandoned bureaucratic socialism and adopted

capitalism, the treatment that the workers receive worsened. But although workers now face rising unemployment and cuts in welfare, this does not, in itself, constitute a direct destruction of the political strength of the working class. In this sense, therefore, the restoration of capitalism has not brought about the demoralisation of the working class.

In fact, the political and economic struggles of the mainland Chinese working class have been very weak for decades. Workers have never been able to rise up on a large scale. They have experienced neither great victories, nor big defeats. The Communist Party is still afraid of workers' resistance. It dare not push too far and too fast.

Since the economy has been growing rapidly for more than ten years, most workers have experienced a rise in their living standards. This is quite different to what has happened in the former Soviet bloc. What is more, the Chinese working class is still growing

rapidly. An estimated 100 million peasants have become proletarian workers in recent years.

In other words, the potential capacity of the working class has not been decreasing, but increasing. The class has not suffered any historic defeat. The struggle is still ahead. It is quite possible that in the medium term there will be an upturn of the Chinese workers' movement. Countless economic struggles against closing of plants and lowering of wages have been going on for some time. Some of these conflicts have been won. This is surely encouraging the growth of confidence of the workers.

Given that Chinese workers have already experienced many years of market reforms which have been against their interests, and are well aware of the failure of the market reforms in the former Soviet bloc, they will probably have less illusions about capitalism than workers in the former Soviet bloc. What is still lacking is an alternative. This is the challenge for socialists in Hong Kong and on the mainland.

Labour under 'market socialism'

7 July 1997, by Apo Leong, Gerard Greenfield

We have entered an era of silence and forgetting. Silence and uncritical acceptance of the logic of capitalism, despite the economic violence and social and cultural destruction wrought by its neo-liberal vanguard; and forgetting that 'actually existing socialism' never was real socialism.

The collapse of authoritarian Communist regimes should have reinvigorated our commitment to revolutionary socialism, rather serve as a justification for compromise and retreat. Rather than 'overcoming subalternity', state socialist societies under Stalinist regimes (re)created new experiences of subordination and alienation, which were intensified and expanded in the capitalist transformations of the 1990s.

Instead the large sections of the Left have not only retreated in the face of the onslaught of neo-liberalism, but are undertaking a series of long-term compromises which dispel both the project of overcoming subalternity and the very notion that subalternity is a problem in the first place. Overcoming alienation, exploitation, subordination - this is stuff of times past. Under the compulsion of pragmatism, engagement, or plain common sense, we are supposed to believe that there is no alternative to capitalism or that any alternative we dare to imagine should use capitalism - not overthrow it.

Foremost among these proposed alternatives is so-called 'market socialism', particularly in its 'actually

existing' Chinese and Vietnamese forms. When China's Four Modernisations programme was launched in 1978, it was announced that rapid development and growth would be achieved by 'using capitalism to develop socialism', necessitating the development of what would later be called 'market socialism with Chinese characteristics'.

The ideological legitimacy of 'Deng Xiaoping thought' in the post-Mao era of market reforms relied in part on Lenin's New Economic Policy, which, it was claimed, proved that under certain conditions it was both necessary and desirable to facilitate capitalism in order to further the socialist project. Most important of all,

'Deng Xiaoping thought' declared that exploitation would be tolerated, especially in the Special Economic Zones and 'open cities' which would act as 'windows' on the global economy, by attracting foreign capital to a disciplined and 'competitive' labour force.

There was a great deal of such tolerance, with over 30 million workers employed in these zones under the systematic repression of labour rights and unrestrained capitalist accumulation. [17] Those "market socialists" in the advanced capitalist countries who glorified the success of China's economic reforms all-too-often overlooked this, even after the massacre of students and workers in Tiananmen Square.

Chinese labour resistance

This tolerance for exploitation was not shared by the workers whose involvement in the mass protest was driven largely by the sentiment expressed in a worker's letter to the students in Tiananmen Square: that 'the wealth created by the sweat and blood of hundreds of millions of compatriots is squandered by the bureaucrats, China's biggest capitalists.' [18]

Both before and after the 1989 events there were widespread public demonstrations. Self-organising among workers lead to the creation of autonomous unions and genuine workers' associations. And there were riots and protests by hundreds of thousands of peasants across the country against corruption, excessive taxes, and the continued abuse of privilege and power by the Party-state bureaucracy.

Violent repression by the Party-state, including mass arrests and the imprisonment of so-called 'subversives' occurred alongside ever-increasing tolerance for the displacement of peasants from their land and the unregulated exploitation of workers in a free labour market. While liberal human rights campaigners in the West have organised public campaigns around a

few victims, labour activists and organisers who remain committed to Marxism and socialism are not among them.

Hidden violence

Market socialists and the liberal left, who have praised the reform process in China for its 'gradualism' and the ability of the Communist regime to prevent the economic decline and political chaos witnessed in parts of Eastern Europe and the former Soviet Union, ignore the widespread resistance and protest by China's subordinate classes. They fail to understand that the very same 'gradualism' that the progressive Left has praised as a conscious decision on the part of China's policy-makers to ensure that the transition to a market economy is not a violent and socially destructive process is itself a product of that protest and resistance forcing the political elite and the emerging capitalist class to modulate their strategy.

But however modulated, the violence of the market cannot be hidden amidst the dismissal of some 50 million workers from their jobs. The old three irons - the iron rice bowl, iron armchair and iron wage (representing job and wage security and lifetime employment) - have been replaced by the "iron heart, iron face and iron fist". [19]

Mass protests, such as the demonstration by 40,000 miners and their families in November 1996, [20] as well as strikes and the activities of independent workers' movements continue to challenge both the neo-liberal capitalist agenda and the privilege and power of the Party-state bureaucracy - the two elements of what constitutes 'actually existing market socialism' in China.

Although depicted as a gradual process of reform and readjustment, the 'market socialist' system has met with considerable resistance from below. Throughout the state and collective sectors, private enterprises and foreign joint ventures, growing resistance to new modes of coercion and exploitation has emerged to challenge the very logic of the

capitalist regime of production.

Strikes increasingly common

In 1994 there were 135,000 reported labour disputes, and another 150,000 in the first six months of 1995. The All China Federation of Trade Unions (ACFTU) admitted that there were 25,000 strikes involving 450,000 workers in 1995. Although presented in the dominant development discourse as a manifestation of demands for higher wages under conditions of rapid economic growth, the vast majority of strikes in foreign-invested factories, private enterprises and TVEs are due to serious violations of workers' rights, including forced overtime, beatings, and physical and sexual harassment. [21]

The predominance of the issue of workers' rights in these collective actions is exemplified by the 1995 strike by workers in the Japanese-invested Panasonic Corporation factory in Zuhai. They demanded that copies of the new national labour law (introduced a year earlier) be made available to them. A demand which led the official trade union to attack the striking workers.

In the Special Economic Areas, strikes have been undertaken in protest against unpaid or late payment of wages, not higher wages. [22] The response of the new capitalists and state sector managers has been based on attempts to fragment the workforce and break down their collective social and cultural identity as workers. In the Special Economic Zones and open cities, migrant workers were initially hired from the same provinces, which enabled them to (re)establish a collective identity within factories based on their common dialect and notional kinship ties. This formed the basis of a powerful sense of common interests and a tendency toward collective action which often challenged the power of managers and supervisors. In response, managers have implemented policies of segregation, ensuring that workers from the same province are broken up

into different sections in the factory.

While the strikes reflect a resurgence in workers' collective resistance to domination and exploitation by the Party-state and capital, the possibility that these sporadic collective actions will form the basis of an organised working class movement is severely limited by counter-mobilisation strategies aimed at displacing any forms of self-organisation. State power continues to be exercised through the centralised trade union apparatus, with violent repression of labour movements organised outside of these structures.

Official trade unions

Official trade unions have continued to carry out many of their functions from the pre-reform era: mobilising workers to raise productivity and output, enforcing labour discipline and consolidating managerial control over labour, in accordance with the productivist goals of Stalinist

industrialisation. In the transition to capitalism these functions have been re-deployed to enforce capitalist discipline, and consolidate the power of the capitalist entrepreneurs aligned with or emerging from within the Party-state.

Hence the demand by the Secretary General of the ACFTU, Xiao Zhenbang, in 1994 that 'unions must try all means to eliminate instability' and ensure that 'unexpected incidents' be prevented by working with the Party and state to consolidate control from above. [23] These "incidents" of instability refer to the strikes and other self-organising activities of workers.

While the role of the trade union in defending workers' rights and interests was reiterated at the Twelfth National Congress of the ACFTU, it was also stated that trade union activities should not conflict with the 'legitimate rights of investors'. [24] Official trade unions seek to manage workers' responses to the capitalist labour process, claiming to be protecting workers' rights and

interests on the one hand, while having direct and indirect linkages to capital. The indirect links focus on maintaining labour discipline and industrial peace for the sake of national economic growth, while the direct linkages is through involvement in profit-making business activities with domestic and foreign capital.

There are isolated cases of local trade union officials actively supporting workers' demands once they have gone on strike. But trade union officials have generally sought to bring an end to spontaneous strikes as quickly as possible. State enterprise managers continue to be members of trade union committees and are seen by the ACFTU as a legitimate segment of its constituency. The ridiculousness of this situation is reflected in a labour dispute in late 1995 in which: "[A] young worker at the Hao Wang Dajiu restaurant in Shanghai decided to take her case to the local Labour Disputes and Arbitration Committee (LDAC), only to find that the chairman of her local ACFTU branch was representing the employer at the hearing!" [