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1991 World Congress

“New world order” or international instability

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I. A turning point in world history

THE COLLAPSE of the bureaucratic regimes of Eastern Europe, the profound shake-up of Soviet bureaucracy, the reunification of Germany and the Gulf war mark a major turning point in world history. They mark the end of the international context which has lasted since the end of the second world war. The end of this period marks the opening of a stage of general instability, particularly in the regions where the two super-powers tended to balance each other out: Middle East, Indian sub-continent, South East Asia...

The reduction of the Soviet Union to the rank of a regional power could on the other hand sharpen inter-imperialist tensions over the question of international leadership. From now on the United States, Europe and Japan are going to feel they have a free hand to establish neo-colonial domination not only in the regions traditionally considered as their zones of influence but at a worldwide level.

Through impetuous development of the productive forces, even though this was at the cost of growing impoverishment of the Third World, capitalism has exacerbated the contradictions of the closed and bureaucratically planned economies and ruined the hopes of “catching up and overtaking” the West once announced by Khrushchev. The collapse of the bureaucratic regimes under the impact of the awakening of the workers and peoples of these countries, and also the pressure of the world market, is turning at first to imperialism's advantage. The overthrow of the dictatorships is a victory of the oppressed, but the affirmation of trends towards capitalist restoration is a defeat for the historic interests of the exploited. This victory however does not offer a real solution to the long wave of stagnation and economic crisis that started in the mid-1970s. For that capitalism would have to win new space and new markets larger than simply Eastern Europe, while even here it is already running into serious obstacles.

The existence of the bureaucratic dictatorships in Eastern Europe was capitalism's best guard against socialist aspirations in the developed countries. Their collapse thus opens up new perspectives. The era when the international workers' movement situated itself in relation to the victory or degeneration of the Russian Revolution is coming to an end. While the Russian Revolution as a formative experience constitutes a historical and programmatic contribution that will always be necessary for a real project of socialist transformation, it no longer represents the central strategic reference in relation to which revolutionaries throughout the world define themselves.

The founding programme of the Fourth International made a synthesis of the Bolshevik experience and of the struggle against the Stalinist degeneration of the first victorious socialist revolution. This gain remains necessary but it is no longer sufficient. The failure of the bureaucratic command economy, the lessons of recent revolutionary struggles from Poland in 1981 to Sandinista Nicaragua, the power of democratic aspirations at a world wide level, make it possible to identify aspects of the programme that has to be put into practice to make the socialist project attractive and credible on the threshold of the 21st century.

The desire to decide consciously on one's fate has become the characteristic feature common to popular movements, whether in Eastern Europe, the imperialist metropolitan centres or the dependent countries. The perspective of a democracy which is not limited to the right to vote and parliament, which brings together citizen and producer, full participation in decisions and full control over their implementation, expresses the evolution of societies where the broadest democracy appears not only as a condition of justice but also of economic efficiency. Increasingly complex societies cannot be managed by a system of economic centralization and monopoly of information, reducing democracy simply to the political domain. Generalized self-management is taking shape as the socialist alternative to

Stalinism. Conceived not simply as a fragmented management of production units that ignore each other, but as an overall and decentralized mode of regulation, this perspective is the only one that can provide an answer both to the dictatorship of the market and to that of the bureaucracy. The revolutionary programme of our epoch will be the synthesis of new experiences of the exploited and oppressed at an international level. The Fourth International contributes its share of experience, of theoretical and political continuity in this struggle.

II. The general framework

In 1989, after decades of repression and paralysis, the masses of Eastern Europe suddenly made their appearance on the historical scene. But 1990 has seen imperialism throw itself into the breach, mark some points in Eastern Europe, and win a striking success with the absorption of the German Democratic Republic by the Federal Republic. US imperialism has profited from the weakening of the Soviet bureaucracy and its open cooperation to intervene massively in the Arab-Persian Gulf in order to impose its conception of the new world order. These contradictory developments express changes which had started well before the upheavals in Eastern Europe.

- Since the mid-1970s, the gap between labour productivity, capacity for economic innovation and broad social reproduction in the USSR/Eastern Europe and in the imperialist centres has increased in favour of the latter. The bankruptcy of the bureaucratically planned economies of Eastern Europe is the result of a structural crisis: since the end of the phase of intensive accumulation, this system has not been able to rival the imperialist countries in terms of productivity. Since the mid-1970s, rather than getting smaller this gap has again increased to the advantage of the latter.
- Without undergoing an historic defeat, the workers' movement in the imperialist centres has suffered enough partial defeats to allow the bourgeoisie to regain the initiative.
- In the eyes of millions of workers, the bankruptcy of Stalinism damages the credibility of the communist project as a project of classless society and the revolutionary strategy for getting there.
- Social-democracy has been an equal failure in its claim to bring about a radical reformist transformation of society, undermining the credibility of the socialist project itself.

This degradation in the relationship of forces is illustrated by the imperialist unification of Germany, the electoral failure of the Sandinista Front and developments in Central America, the negotiations in Southern Africa, the threats against Cuba, the marginalization of independent socialist alternatives in the first elections in Eastern Europe, the weak levels of activity of the workers' movement in the USA and Japan and its defensive situation in Western Europe. Revolutionary movements have been pushed onto the defensive on several fronts of the international class struggle.

However, nothing is consolidated or stabilized.

The crisis of imperialist leadership is not resolved. The project of capitalist restoration in East Europe, the USSR or China is confronted by considerable economic, social and political obstacles. The long wave of economic stagnation that started in the early 1970s has neither been overcome nor controlled. The deteriorating situation in the dependent countries means that social explosions are on the agenda.

It is thus world instability and not a new world order which is well and truly on the agenda. This augurs major confrontations, whose outcome depends on the capacity of the workers' movement to win back its independence vis-à-vis the bourgeoisie and the bureaucracy, and to define a project drawing on the lessons of the big failures this

century. But the impasse of reformist policies in the capitalist countries and the bankruptcy of the bureaucratic system result in doubt being cast on any socialist project. This loss of credibility does not prevent social explosions, fightbacks or big democratic mobilizations, but it puts a brake on this social energy being crystallized around a new revolutionary project of social transformation and weighs heavily on the development of class - consciousness.

III. The Gulf war, a concentration of the trends and contradictions of the new situation

For the first time since the Vietnam war, US imperialism has taken the risk of massive military intervention. In doing this it has benefited from the active support of the other imperialist powers, the cover of international institutions and, for the first time in such a case, direct collaboration with the Soviet and Chinese bureaucracies.

For imperialism, there are several elements at stake in this new test of strength. They are:

- Ensuring strengthened control over oil supplies, and protection of the states whose function of directly recycling oil dollars into the imperialist economies is more necessary than ever, particularly in relation to needs to finance the American budget deficit and the investments required by restoration of capitalism in Eastern Europe.
- To reorganize the imperialist military machine, to give it a new legitimacy, and to reorientate it in direction of the dependent countries.
- To nip in the bud the struggles for popular liberation or even the remains of populist or nationalist resistance by the bourgeoisies of the third world tempted to profit from a world reorganization to extend their regional influence to the detriment of imperialist interests.
- Finally and above all to counterbalance by military supremacy its economic decline faced with Japanese and German rivals, demanding from them and its oil partners in the Gulf, to finance its military effort, that of its auxiliaries as well as trade advantages.

This operation is not without risks for imperialism itself, and could even lead to a regional flare-up with worldwide repercussions.

It is not the cause of a new recession whose indices were already perceptible beforehand, both in the United States and in Britain, the Gulf crisis nevertheless highlights the structural fragility of the world economy and categorically gives the lie to the triumphalist proclamations on the “end of the crisis”. The war could embroil the whole region without offering a speedy overall solution.

A protracted war would economically weaken the powers the most involved, and would revive the rivalries between the dominant imperialist powers seeking a new leadership. The effects of the Gulf war and the efforts to impose a new world order could stimulate a new wave of anti-imperialist struggles. In the United States and in many of the allied forces' countries, the first mobilizations against the war and for the withdrawal of troops have shown the possibilities of a powerful anti-war movement.

IV. The decomposition of the bureaucratic regimes in Eastern Europe and its

repercussions

– The fall of the bureaucratic dictatorships in Eastern Europe and the Soviet regime's convulsions are the major political event since World War II and the Chinese revolution. The generalized crisis of the bureaucratic system has not spared any of the countries concerned, underlining its historic failure.

The mass uprisings in East Germany, Czechoslovakia and Romania, expressing democratic aspirations and a rejection of a system based on privileges and oppression, have released a formidable social energy. In this sense, they signified a beginning of anti-bureaucratic revolution.

Aiming to use reforms to unblock Soviet society and avoid the risk of the same social explosions brewing in Poland, Gorbachev's policy has remained on the fence. The social roots of the crisis of bureaucratic rule and the attempts at reform lie in the antagonism which sets bureaucracy against proletariat in societies which have changed. Bureaucratic management, which expresses the form taken by specific exploitation within these societies, in contradiction with cultural, technical and social development and puts on the agenda an attempt to restructure the form of domination.

In no case has it been able to offer an attractive outlet for popular aspirations to a better life, which are expressed in an increasingly independent way. At the same time, Gorbachev's attempt to forestall the avalanche of political and social crisis by a political reform preceding an economic one, the space opened up by the reconstitution of public opinion and forms of independent political organization, and Soviet disengagement causing the wall of fear of military intervention to fall, have all contributed to precipitating the explosion.

An international equilibrium has been upset without a new one in sight. What is beginning is not only a crisis in Eastern Europe, but a crisis of the international relationships established at the end of the war that could lead to profound national and social crises. Relaunching the policy of peaceful coexistence with imperialism ended in a global negotiation of so-called regional conflicts, to the detriment of revolutionary forces.

– These upheavals are already fuelling evolutions inside the international workers' movement.

Social democracy is, for the time being benefiting from the repellent role played by the bureaucratic dictatorships. It tends to appear as a guarantor of a “third way” - that of a democratic and reasonable capitalism.

The “crisis of the international communist movement” has reached a critical point. The social base of the traditional Communist parties has been eroded. Their links with the Soviet bureaucracy have loosened and gone through serious crises.

A broadly open range of organizations and currents, who have their own history and experience, are searching for a political path independent of Stalinism and social democracy: condemnation of Tiananmen, positive reaction to the fall of the Berlin Wall, critical support for the Cuban revolution, an indissociable anti-imperialist and anti-bureaucratic position.

But positive crystallizations of this recomposition remain tiny and dispersed for the time being. The appearance of a socialist, internationalist opposition in Eastern Europe could give them a second wind.

– Stalinism has not been a simple detour from a pre-established historical path, or a simple parenthesis that will be closed. Its monstrosities hang like a millstone and its ghosts haunt the present. The project of socialist liberation

carries these burdens - for the overwhelming majority of workers the very words no longer have the same meaning or promise as they did at the beginning of the century. Those peoples massively rejecting Stalinism are not only mobilizing against totalitarian dictatorship and for democratic freedoms. They also express the awareness of economic and social failure, seeing capitalism solely through the prism of its performance in the main imperialist centres. We have not finished paying the price for Stalinism. Memory and hope must be rebuilt.

Political revolution begins with democratic demands (free elections, multi-partyism, trade-union independence, freedom of expression, national self-determination) common to both those forces struggling for socialist democracy and those who want capitalist restoration. These two roads part, however, not only in terms of the social content of the struggle but around the very conception of democracy.

a) Throwing off the bureaucratic yoke frees contradictory currents. Accumulated experiences, from the uprisings in Poland and Hungary in 1956 to the Solidarnosc congress in 1981, passing by Czechoslovakia in 1968, led to the belief that the social base of state-owned property favoured a dynamic of self-management and socialist democracy against the logic of capitalist restoration.

b) This hope has not been confirmed by current developments. In the majority of cases (with the exception of Poland and the strike movements in the USSR), workers have mobilized as citizens around demands of political democracy and not as an independent workers' movement as such. Forms of self-organization have remained much more embryonic than the 1956 Hungarian workers' councils or those expressed at the 1981 Solidarnosc congress. Nuclei of socialist, anti-bureaucratic movements - like those that arose in Hungary in 1956 or in Czechoslovakia - have been dislocated by bureaucratic repression. The situation today is marked by the marginality of revolutionary currents and the weakness of socialist, or even class-conscious, currents.

c) While the August 1980 mass strike and the establishment of Solidarnosc opened the way for mass anti-bureaucratic movements, the relative isolation of the Polish workers and their political disarmament allowed the bureaucracy to inflict a partial defeat via martial law. Although this was insufficient for crushing the social movement, it was enough to atomize it, break its dynamic and influence the political development of the oppositions all over Eastern Europe.

d) The national and democratic demands of nationalities are an integral part of the anti-bureaucratic revolution. They express the legitimate rights of peoples which have suffered centuries of repression. But their current dynamic exposes the workers' movement incapacity to embody an overall solution and offer a socialist and internationalist solution to the crisis affecting these countries.

e) In spite of their heterogeneity, currents favourable to capitalist economic restoration have the initiative for now. The evolution from the Solidarnosc that organized the strikes to the government supported by Solidarnosc that is opposing them, the trajectory of political currents like the KOR, and the result of the GDR elections are so many indices of the changed situation.

– The situation which has developed since 1989 in Eastern Europe stems from the structural crisis of societies under bureaucratic rule, but also from the international situation of the 1980s. The system established by the bureaucracy has shown itself incapable of any long-term competition in the development of productive forces with the capitalist metropolitan centres. Economic waste appeared as the direct product of bureaucratic power. On the basis of democratic demands (free elections, multi-partyism, trade-union independence, freedom of expression, self-determination of nationalities) different logics are expressed for the overall solution: socialist democracy or integration into the fold of Western capitalism. This difference comes out again in the conception of democracy; either the extension of the power of citizen-producers to all domains in the framework of a system of generalized self-management, or its limitation to a parliamentarism modelled on that of bourgeois institutions in the West, opening

up the social field to the appetites of capitalist forces and mafias emerging from the bureaucracy.

During previous experiences, from the risings in Poland and Hungary in 1956 to the Prague Spring and then the formation of Solidarnosc in 1980, we saw a dynamic of self-organization and the partial emergence of socialist solutions. The demands for autonomy in running the enterprises and for market reforms were in the context of a confused aspiration for self-managed socialism. Today, faced with the economic debacle and the dynamism of Western capitalism, they are leading to illusions in the virtues of the free market. However, the unequal and combined development of capitalism on the international level will demonstrate the impossibility of Eastern Europe reaching Western levels of development. These countries can at best hope for relative and unequal development, at the cost of mass unemployment and rapid increase of social inequalities.

V. The specific crisis of the bureaucratic régimes

– It would be false to look at the USSR's development retrospectively through the prism of the years of so-called “stagnation” at the end of the Brezhnev era. The Stalin or Khrushchev years were ones of colossal change, marked right from the beginning by the deformations of building socialism “in one country”. Under the whip of the bureaucracy, the pangs of primitive accumulation were reproduced in super-quick time. The authoritarian and bureaucratic character of planning, like the attempts at reforms, has always been a relative brake on the development of the productive forces, and above all maximized their social cost. But during a certain period it did allow rapid development of the productive forces, extensive economic growth and the consolidation on this basis of the bureaucracy's rule.

– After the first phase of accumulation and heavy industrialization, the diversification of production and improving distribution and consumption took on more importance. Bureaucratic conservatism, the lack of democracy and the logic of building socialism in one country or one camp, are an obstacle to the generalized application of new technological innovations. The braking effect then tends to become a total block. From the mid-1970s, the growth rate declined spectacularly in all the planned economies in parallel with the crisis in the imperialist countries. Plummeting raw materials' prices worsened the situation. While easy credit in the 1970s contributed during one five-year plan to maintaining consumption, the debt crisis - at first hidden - broke out forcing Eastern Europe to accept IMF-imposed austerity policies (with dramatic consequences in Romania). In addition, Soviet and East European budgets were strained by the relaunched arms race. The imperialist bourgeoisies respond to the crisis by seeking new increases in productivity and the introduction of new technology, at the cost of mass structural unemployment. On the contrary, bureaucratically-planned economies are obliged to maintain job security without being able to compensate for the lack of competition by the voluntary mobilization and democratic initiative of associated producers.

– Despite the appearance of unemployment, these societies remain characterized by the right to work, the non-market character of labour power and the labour shortage, the distribution of essential goods and services at low cost, and incomes largely unrelated to the work actually done. All these characteristics were marked both by the drastic reduction of market mechanisms and bureaucratic domination. Deeply corrupted by bureaucratic parasitism (bad jobs, wastage, bureaucratic work organization, distribution crippled by privileges and corruption), these gains are far from satisfactory. However, this form of distribution and job security are a determinant element in the social relationship of forces.

Post-war social gains (education, health, housing) have already suffered from the effects of stagnation and budgetary difficulties. The result has been a regression in living conditions, felt all the more because they suffer from immediate comparison with the richest capitalist countries of Western Europe and from a crisis of the legitimacy of bureaucratic

rule. This social degradation is a heavy burden for East European workers, for their self-confidence and their conviction of being able to resolve their society's problems via socialist democratization on the basis of state-owned property structures. Its effects have added to the dead-end sentiment resulting from previous economic reforms and the repression of the attempts at anti-bureaucratic revolt.

– The big hopes of the Khrushchev era, the promises to catch up and overtake imperialist countries' living standards before the end of the century, are a long way away. Perspectives for restructuring Comecon's economic links have become less and less credible. The gap between developed capitalist countries and planned economies, reduced in the post-war period, is widening again. In comparison with the Western Europe - not with all the capitalist countries, which include the poverty of the third world as a condition of their functioning - the gains of “actually existing socialism” are seen as relative or insignificant. They cannot be safeguarded by defending the existing system of planning, but only by developing them in a qualitative way, through the introduction of democratic control over production, urbanization, the environment and all the fundamental aspects of social reproduction.

VI. Bureaucratic reform, capitalist restoration, at what price?

– The first wave of the anti-bureaucratic revolution did not lead to the taking of power by the proletariat, nor even to some form of an organized, alternative political power: the process of self-organization has remained limited; the former order is only being challenged partially in the enterprises and workplaces. Neither has it led to the bourgeoisie taking power. There are sectors of the traditional petty-bourgeoisie, intelligentsia and bureaucracy who aspire to becoming a ruling class and leading a process of capitalist restoration for their own gain. But for now their social strength is too limited to envisage leading a transition to stability against the tide. Thus, the bureaucracy has suffered a defeat and been fragmented, to different extents depending on the country. Some institutions have been dismantled or destabilized. But in general the bureaucratic apparatus continues to exercise power.

– The defeat of the Party-State, illuminating the bureaucracy's social weakness and heterogeneity, totally exposes the recently fashionable rhetoric about “totalitarian expansionism”. The parasitic bureaucracy does not represent the advent of a new mode of production; however, this does not mean it is incapable of any historical initiative or energy. Brought together by the exercise of political power and the defence of its own privileges, it is condemned to a balancing act between international imperialism and the proletariat and the revolution. In the crisis it divides between reformist, openly restorationist and conservative or neo-populist currents in proportions that depend on the social function of its different component sectors as well as national and international relationships of forces. In the present context, a growing section of the East European bureaucracy, no longer believing in the survival of a reformed system and noting that Gorbachev is giving up control over the Eastern bloc countries, hopes to be able to convert its privileges into capitalist property in the framework of a return to the market economy.

– These parasitic privileges constitute a basis of accumulation too limited to be transformed into national capital, to buy enterprises offered for privatization and turn the top layer of the nomenklatura into a new bourgeoisie competitive with its rivals in West Europe. The buying up of enterprises by ex-members of the nomenklatura can only provoke fierce resistance by workers full of illusions about promises of the “market economy”. Capitalist restoration is not limited to the penetration of foreign capital, to privatizations or joint ventures. The appeal to foreign capital, some privatization and recourse to market mechanisms could happen under social control by subordinating them to publicly-discussed criteria and ensuring that reconversions protect the right to jobs, education and health for all. Private investment, limited privatization or appeals to foreign capital alone are not enough for capitalist restoration.

- This would mean the overall re-establishment of social regulation through the market, mass unemployment, industrial restructuring, dismantling basic social gains and the brutal reinsertion of these economies into the

world market. For the restorationist process to be consummated, power has to be taken by a constituted capitalist force, the main state machinery reorganized, and above all social relations subjected to generalized market production governed by the law of value.

- Neither should the restorationist counter-revolution be envisaged as the flip-side of socialist revolution. It has other bases and mechanisms. Once the coherence of institutions is broken down, the pressure of the world market is fully felt. For now, the bureaucracy's defeat has gone as far as a partial challenge to certain cogs in the state machinery (political police), but this has not been dismantled, nor has power been conquered by a coherent social force capable of carrying through such a project. Privatization and capitalist penetration still remain limited. They will be sure to provoke a great deal of resistance among industrial and agricultural workers.

There is already an obvious difference in the interest taken in these different countries by Western capitalists. Investors are more interested in Czechoslovakia, which has reached political stability and a relatively solid economy, than in devastated, uncertain Poland, not to mention Romania. The Eastern European countries are advancing towards different fates.

– The domination of state power by pro-capitalist forces is an essential instrument of this transformation. But the main restorationist force resides in foreign capital - already exercising massive pressure through the IMF and the banks - which is organizing for a reconquest. The present dynamic of the challenge to bureaucratic power is marked by the programmes of liberalization and privatization subordinated to IMF logic. But the process runs into considerable obstacles. Its colossal cost requires the use of capital already mobilized to compensate for the American deficit or for investment in the dependent countries. Restoration could only be achieved at the cost of installing new forms of dependence in the very heart of Europe and the appearance of intra-continental under-development. Far from these societies making their late entry into the privileged club of developed capitalist countries, they would have to take a subordinate and dependent place in the new world hierarchy that is taking shape through the crisis.

– A completed restorationist process would mean deep social differentiations, in which there would be some winners but a majority of “losers” - particularly women, threatened with exclusion from directly productive activity and already the target of obscurantist religious offensives. It will mean big conflicts and divisions of interest within the ranks of the bureaucracy, bourgeoisie and proletariat.

Convinced of the need to destroy from top to bottom the monstrous state of the bureaucracy by a mobilization which would give back their full rights to the workers, we work for the social movement to respond to their democratic aspirations by presenting an alternative opposed equally to capitalist restoration and bureaucratic reshuffling. We fight for a socialist project enriched by a radical critique of Stalinism, a critique of productivism, of alienated labour, and unbridled pillage of natural resources.

- With the development of the revolutionary process, yesterday's liberals are revealing themselves as today's authoritarians: real dismantling of the repressive apparatus and the officer caste; right to democratic organization for soldiers. Abolition of all bureaucratic privileges and rejection of new privileges based on money. Multi-partyism, real equal rights, trade-union independence, right to work and to existence.
- We defend neither the USSR's bureaucratically-imposed frontiers, nor the degree and content of bureaucratic nationalizations: self-determination for nationalities and respect of their right to independence, the only way of preserving the possibility of a free association of socialist republics freed from bureaucratic control.
- We link the demands for political democracy to their social content: rejection of privatizations, presented as a miracle solution, and their social effects (unemployment); rejection of the IMF and its diktats, of political conditions for aid and loans; cancellation of the debt; defence of the perspective of a democratically-planned

economy within relations of equality, in the framework of confederated European institutions; development of international organization of the working class and social movements; development of a programme of generalized self-management at the level of production units (work places, industrial sectors) and at a territorial level (towns, regions, nationalities); production management by the workers, election and right of recall of supervisors and management; autonomy for communities, making possible real social control over housing, urban planning, health, education in the context of self-managed and ecological development plan.

- Democracy cannot be identified with parliamentary elections: primacy of direct democracy over representative democracy, recallability of elected representatives, direct representation of social units able to exercise such control on the basis of their collective practice in the workplaces, neighbourhoods and villages.
- The first largely spontaneous stage of the anti-bureaucratic revolution shows the need for a revolutionary party capable of fighting against both the bureaucracy and restorationist forces, of defining a project for a socialist and democratic society, of renewing internationalism and fighting against the world's dominant ideologies.
- At present, the first task remains conquering political class independence, including in the oppressed nationalities, promoting everything that goes in the direction of building a workers' party independent of the bureaucracy and imperialism, independent and democratic trade unions (creating independent unions or winning back the old structures), developing experiences of control and self-organization.
 - In the same way as unity in action for democratic demands includes liberal sectors, on the strict criterion of a united and effective mobilization for precise goals, a united-front approach against privatizations, militarization or IMF diktats is addressed to all trade unions, social movements and parties no longer tied to the state.

There are several possible hypotheses: future capitalist restoration; a relaunch of the anti-bureaucratic revolution; deterioration and social dislocation; or a sharp, repressive check. The most likely scenario seems to be a period of convulsive political instability, social reorganization and partial confrontations, if not fragmentation. In this process protagonists will be defined and weapons forged for the struggle which are today barely embryonic.

Although it concerns the same basic contradictions, developments in the USSR are distinct from those in the rest of Eastern Europe. Despite the Stalinist counter-revolution and the fact that challenging Stalinism often leads to questioning the revolution itself, the revolutionary origin of the Soviet Union is still influential. The beginning of the workers' mobilizations in summer 1989 began to produce political differentiations and to influence minority currents concerned with building socialist organizations implanted among workers and striving to form independent unions. Bureaucratic crystallization is also a lot deeper and more widespread than in other countries. Conservative currents hold powerful positions. They can exploit national conflicts by trying to mobilize Russian workers against the independent movements. The scope of the national questions and the damage done by bureaucratic oppression increase the specificity of Soviet society.

Having experienced the most powerful movement of working class independent organization in the last decade, Poland still occupies a specific place. The situation there is still marked by the contradictory effects of workers' victories (formation of a mass union independent of the bureaucracy, marginalization of post-Stalinist political forces), and by the defeats that they have suffered (martial law, fall in living standards, submission to imperialist diktats by the government formed in 1989 on Solidarnosc's initiative). In a context of economic collapse, the compromise between the Jaruzelski regime and the Solidarnosc leadership contributed to breaking the upsurge of struggles in 1988. An autonomization of the Solidarnosc leadership from its base and declining levels of consciousness and organization left the field open to the development of populist political currents, drawing their identity both from the most retrograde political traditions and the demagogic defence of certain popular demands. However, the survival of a tradition of democratic working class organization could mean that, on the basis of new struggles, political forces will appear that draw their inspiration from the gains of Solidarnosc in 1981.

VII. The democratic challenge in China

The difficulties encountered in economic recentralization and reversing the centrifugal forces freed during the period of reforms have obliged the Chinese Communist Party leadership to feel its way, unable to restabilize its power.

The political unrest and social discontent arising from decades and highlighted by the 1976 demonstrations, the passive resistance of workers and peasants, and economic stagnation especially in agriculture compelled the ruling bureaucracy to attempt economic reforms that combined a partial relaxation of its control over the economy with the maintaining of its monopoly of political power. Since 1978 the idea of re-establishing the commodity nature of the means of production and labour power has become stronger. Power has been partially decentralized at the level of factory managements and provincial administration, constraints on the peasants have been relaxed, the coastal regions have been opened up to foreign capital (which has facilitated a flow of resources from the hinterland to the coastal regions and then out of China), and the bureaucracy has wanted to make the workers and peasants pay for the price of these reforms through encouraging social differentiation. Certain price controls have been abandoned and a free market set-up for some categories of means of production. Despite a substantial initial and short-term rise in average living standards, such measures have been confronted by a sharp rise of popular resentment against price rises and subsequent fall in living standards. Disillusion with economic reforms that benefited mostly the already privileged intensified pressures for political liberalization and democratization. Within the bureaucracy itself, although a tiny portion was quite prepared to shift its basis of power to a new form of ownership, the bulk still based their rule primarily in the bureaucratic control over the nationalized means of production.

The explosion of the 1989 movement for political democracy and the subsequent developments in Eastern Europe were alarming warnings to the ruling bureaucracy. The bourgeois and petty bourgeois elements that have emerged and grown in the past decade of reform, concentrated in the coastal regions, are too small and weak as yet to counter the power of the central leaderships. The central leadership of the bureaucracy is still decisive in its control over the main resources. However, the massive people's protest in 1989 has prompted the bureaucracy to tighten its political rule and temporarily halt its offensive on the basic gains of the worker and peasant masses without however reversing its policy of economic “liberalization”.

In the final analysis, the bureaucracy saw no other way out except to grant further concessions to foreign capital and domestic capitalist elements and to step up its attacks on the working class and the peasants, at the same time as bureaucrats at all levels look for individual ways out given the uncertainty of continuing bureaucratic rule in the old way. Within the bureaucracy, the balance of power and the overall dynamic of return to capitalism continue to go against the central leadership's endeavour to contend decentralizing pressures. The working class's emerging response since 1988 and during the democracy movement to the attacks on them, underline its increasing role in countering the restorationist dynamic.

The movement for political democracy that erupted in the late spring of 1989 marked a milestone in the people's ongoing process of struggle against the bureaucracy. The mobilization of students and urban masses in most big cities was also partially a reaction to the ten years of economic reform, corruption and growing social inequalities. For the students, the workers and their allies, the predominant demand was for political democratization which they conceived as the only way out for the economic stagnation and social regression. The role of the Communist Party began to be openly questioned and challenged, paving the way to a serious challenge to the legitimacy of the party/state. In the short term, the June 4 crackdown and the subsequent repression were intended to eliminate the embryonic autonomous organizations of students, intellectuals and workers as well as dissuade any popular resistance. In the medium term, however, the recourse to brutal military repression by a discredited bureaucracy rules out in the eyes of the people possibilities of self-reform by the bureaucracy.

The student struggles were a forerunner to the intervention in the political arena by the urban workers. The workers

began to mobilize causing partial disintegration of the party and state apparatuses. There were also instances of workers going to the suburbs to ask peasants to come out in support of the students. In this way the 1989 movement was a continuation of the spontaneous movement for democracy that started in 1976. In 1978-81, during the Beijing Spring period, dissidents, mostly urban workers who were former red guards during the Cultural Revolution, organized themselves into small groups and conducted lively discussions on alternatives for China's development. The central theme of most samizdats of this period was political democracy coupled with self-management and economic planning. Some of the activists of this period who were released from jail were active in the 1989 movement. The 1989 movement also highlights the weaknesses of a workers' movement caused by longterm atomization, crushing of class consciousness, years of economic reforms and ideological assault, and despair arising from the apparent lack of alternatives. These have to be overcome during the further unfolding of the political revolution both to root out the bureaucracy and to defend social gains of the working and peasant masses against capitalist restoration.

VIII. German unification

– The Federal Republic finally absorbed the German Democratic Republic on 3rd October 1990. The conditions in which this unification took place underline the turn in the international situation. The restoration of capitalism in GDR territory, the extension of the political power of the West German bourgeoisie over the remains of the Stalinist dictatorship broken by the popular movement of Autumn 1989, the formation of a strengthened imperialist German state constitute a victory for imperialism and a shift in the relationship of forces in Europe to its advantage.

– This rapid outcome is the result of a combination of several factors:

- The comparative deterioration of the economic and social situation in the GDR, in the framework of a structural crisis common to all the bureaucratic command economies. From the middle of the 1980s at the latest, the GDR system was on its last legs. The level of productivity was 50% lower than that in the Federal Republic. The lower and middle layers of the bureaucracy had gone from a loss of confidence in the leadership to a loss of confidence in the system as a whole, at the same time as opposition movements were emerging.
- While the first mobilizations, up to the opening of the wall, were essentially anti-bureaucratic and led by currents identifying with socialism, there was nevertheless no recognized, rooted, experienced leadership prepared to orientate this fight both against the bureaucracy and against imperialism; the confidence of the working class in itself and its capacity to run society was destroyed by years of bureaucratic crushing and worn out by the feeling of economic failure.
- In these conditions with the existence of a national sentiment frustrated by the punishment of partition and the humiliating supervision of Germany imposed at the end of the war by the victorious imperialism and the Soviet bureaucracy, for most Germans unity at any price seemed to offer the only immediate perspective, without the social cost of it being discussed.
- The economic and financial strength of the FRG exercised a great attraction on a population suffering social regression and without any hope of improvement in the East.

– Opposed from the outset to the partition imposed on Germany, the Fourth International has always stood for the perspective of a unified and socialist Germany.

- In the imperialist countries we stood for the unconditional withdrawal of foreign troops from the two Germanies, and against the claims of the victorious Allied powers to decide the future of Germany.

- We also defended the unconditional right to self-determination of East Germans including if this led to unification with imperialist Germany and we would mobilize against any attempt to deny the exercise of this right by force.
- On the other hand, while defending the inalienable right of the East Germans to choose their future, we have said that we were not for “unity of Germany” just like that, that we were against the capitalist unification of Germany represented by the Kohl plan and the consequences this would have for the workers in unified Germany and that the GDR workers should answer Kohl by proposing their own conditions for unification: the guarantee of full employment, maintaining social services and low rents, keeping the right to work in the Constitution, retaining the right to abortion, refusing to restore landholdings to the pre-1945 owners, etc. They should seek to increase links with the West German workers' movement to fight together for the 35 hours, the establishment of a fund for wage equalization, the right to vote for immigrants on both sides, the abolition of the political police and discriminatory employment laws in the West, demilitarization...

– The consequences of this unification rushed through on the conditions of the West German bourgeoisie can already be seen. The costs of reunification rise from month to month. The trust company established by West German managers to run 8,000 enterprises (6 million employees) in the East has massively eliminated jobs and transformed what remained of the industrial apparatus into a subsidiary of the big imperialist companies. Productive investments remain slight which the consumer market is overrun by products from the West, provoking a severe crisis in agriculture. The East is becoming an annexed under-developed region of second class citizens. Its exports have collapsed since its traditional clients have been obliged to pay in strong currencies. The number of jobs fell by 10% between the opening of wall and the unification; several hundred thousand East Germans are now going to work in the West, some illegally or as temporary workers. The day of unification, the acknowledged rate of unemployment in the East reached 17%, one of the highest in Europe. Thus Germany has been politically unified, but not socially or economically.

The growth of unemployment in the framework of the unified state worsens the relationship of forces between the classes throughout the country. The anti-refugee and anti-immigrant legislation is worse. Within two years criminalization of abortion will be extended to the East. Unified Germany's membership of Nato will allow the Atlantic treaty to extend its presence to the Polish borders.

– Politically, unification benefited the rightwing parties. It appeared as a success achieved by Kohl. In the West the socialist current within the SPD has practically disappeared. The DKP has been swept away. The majority of the Greens have shifted to the right. However, the effects of unification could feed some fightback and provoke industrial explosions. Bourgeois circles are worried about the cost of the operation and its compatibility with European commitments. Finally, while capitalist unification of a political defeat for the workers' movement, the attempt to make the workers pay for it is likely to run into the resistance, particularly in the West, of a powerful, strongly organized working class very attached to its gains. The bourgeoisie has therefore agreed to run this risk.

The central task now is therefore to unite struggles and demands in the East and West: for a general reduction of working hours; for the defence of public property in East Germany under control of the workers; for bringing wages into line with those in the West through establishing a special fund to pay for this; for the continuation and extension to the West of the free social services of the former GDR; against paying for unification by reducing the social budget, for a reduction of the military budget; for a demilitarized Germany in a denuclearized Europe.

IX. Shock wave in the third world

– The crisis and sharpening competition are deepening inequalities within and among the imperialist countries, and between them and the planned economies. They condemn most dependent countries to a new spiral of

under-development. This situation is an integral part of the conditions of international capitalist functioning. It is the necessary backdrop for the “miracles” put forward to seduce workers in Eastern Europe, China and the USSR about the splendours of the market. More than 700 million human beings suffer from absolute poverty. The gap between imperialist and semi-colonial countries is growing. The “market” condemns the overwhelming majority in these latter countries to a spectacular deterioration in their living conditions. The growth of imperialist economies relies on this increased oppression. The weight of the debt serves international organisms as a political weapon to impose discipline and a modernization of poverty, denying the national sovereignty of countries that barely ten years ago seemed to be the best placed for hoisting themselves out of the rut of under-development. Latin American countries have become net exporters of capital (debt servicing and capital flight) to the profit of the imperialist metropolitan centres. The African continent is sinking into despair and risks breaking up. The Indian sub-continent may be ravaged by ethnic conflicts. The Middle East remains a powder keg. Social explosions and popular uprisings are on the increase.

However, the bankruptcy of the non-capitalist planned economies means both a crisis of economic perspectives and the loss of what was mistakenly seen as a rearguard: “the socialist camp”. This increased isolation of national liberation struggles from a state and diplomatic point of view has not been compensated by a new rise of militant internationalism. The marginality of the solidarity movements with Nicaragua and El Salvador (compared to the role played by the anti-war movement at the time of Vietnam), the feeble reactions to US intervention in Panama and the redeployment of US military bases in Latin America under cover of the fight against the drugs traffic, like the French interventions in Africa, illustrate this.

– It was in this context that the FSLN lost the elections in Nicaragua.

- The Sandinista revolution triumphed in a small country, a producer of some agricultural goods and severely deformed by long years of oligarchic and imperialist domination. It was less possible than elsewhere to envisage building socialism in a single country, or even implement a self-sufficient economic policy to begin a transition. The only possibility for the Sandinista revolution, other than massive recourse to foreign aid and falling into a new dependency, was to begin accumulation on the basis of its agricultural exports and initial industrialization through transforming agricultural raw materials into manufactured products. Such a perspective was mortgaged by the war effort imposed by US aggression (50% of the budget, destruction of hard-currency generating harvests), and the resulting deformation of the economy.
- The impossibility of victory for the Salvadoran revolution in 1980/81, the US intervention in Grenada in 1983, and above all the serious defeat of the Guatemalan revolution in 1982, condemned the Sandinista revolution to lasting isolation. From 1985, the process of negotiation between imperialism and the bureaucracy on regional conflicts also left their mark. These negotiations, culminating in the Malta summit, left imperialism a free hand to intervene in Panama and put the Nicaraguan revolution under siege via the so-called “low-intensity” war, aiming more for political and economic strangulation than military victory.
- In these conditions, the Sandinista leaders were obliged to bank on the long term. Forced into a war economy, they wanted to preserve diversified international relations and avoid rapid socialization measures which would have had an internal political significance but unpredictable economic effects. Despite the aggression, they gave an example to the whole world by not giving up democracy, political and trade-union pluralism and by holding general elections in 1984 and 1990.

The democracy maintained to the FSLN's honour is not identical with the holding of free elections under strong international surveillance. Formally “free” for the observers, in conditions of an economic blockade, blackmail for credit, military pressure on the borders, these elections were much less free for the Nicaraguans. The result obtained by the FSLN after 10 years of war demonstrates its legitimacy among the Nicaraguan masses. But the democratic mechanism chosen by the Sandinistas has all the limits and the inconveniences of bourgeois parliamentarism: separation of executive and legislative powers (thus strengthening presidential power); delegation of power for six

years, without the electors having any means of control. Direct democracy would have been able to give Nicaragua a form of people's power, respecting political plurality but guaranteeing permanent control by citizens and the recallability of elected representatives.

– The threats against the Cuban revolution are becoming clearer. The Cuban economy, heavily socialized since the expropriation of the American multinationals, was on the verge of bankruptcy at the end of the 1960s. It only kept afloat at the cost of agreements with Comecon and Soviet aid. The reduction of this aid could provoke a social and political crisis. Despite serious bureaucratic crystallization, Cuba cannot be compared to the East European bureaucratic dictatorships. Both because of social gains in relation to other countries on the continent and its anti-imperialist role, the leadership retains a revolutionary legitimacy. Defending the Cuban revolution in the face of imperialist threats by no means implies an acritical attitude to its leadership. On the contrary, it means supporting and developing democratic demands in Cuba itself: for real political pluralism in the structures of people's power, the right to free expression and information, independence of the unions from the state, the separation of party and state.

– For more than three years, the Palestinian people have been engaged in a permanent uprising in the territories occupied by the Zionist state since 1967. This Intifada is a major turning point. It is the first time that the Palestinian masses have stopped counting on the bourgeois Arab regimes or on the struggles of the Palestinians of the diaspora and themselves entered into a generalized struggle, created their own instruments of mobilizations, setting up all sorts of people's committees able to draw all layers of the population into the daily struggle. The Intifada is thus a permanent challenge to the Zionist occupation forces engaged in an escalating repression which international opinion can no longer pretend to ignore. It offers a living example to the masses in the Arab countries exposed to the treason and inertia of their own governments. It demands more active solidarity with the Palestinian cause from all workers and anti-imperialist movements: for the immediate and unconditional withdrawal of the Israeli army from the territories occupied in 1967, the right to self-determination of the Palestinian people and to the establishment of an independent state on their territory and their right to return to all the territories from which they were expelled.

- The massive immigration of Jews from the Soviet Union to the Zionist state has thrown them into a new murderous trap. The imperialist governments and the Soviet bureaucracy have agreed to channel this immigration by refusing most emigrants the right to choose where to go and not leaving them any other choice than to reinforce the colonization of occupied Palestine and to swell the ranks of cannon fodder for Zionist expansionism. It is therefore necessary to fight against anti-Semitism in the Soviet Union in order to eliminate the reasons that push Soviet Jews towards mass emigration, and to demand that all countries in the world open their borders to the new wave of emigration of Soviet Jews and that the Israeli state lets them leave for the country of their choice.
- The International affirms its solidarity with the Lebanese national resistance which is fighting against Israeli occupation and its local agents in southern Lebanon. The International is for the complete and unconditional withdrawal of Israeli troops from this country.

– In Africa, the weight of the foreign debt, combined with the corruption of the ruling classes which have pillaged their countries, are leading to an absolute pauperization of the workers, peasants and popular layers. After more than 30 years of one-party regimes in most countries, mass mobilizations are forcing the neo-colonial bourgeoisies in power to accept multi-partyism, freedom of expression and association, the principle of free elections. These mobilizations are the result of internal factors (insupportable effects of the so-called adjustment policies of the IMF, the growing discredit of repressive and corrupt ruling circles) and external ones (echoes of the fall of the Stalinist dictatorships, imperialist manoeuvres to avoid the risk of sudden falls of its local allies).

However, in the absence of an independent revolutionary workers' movement, these movements are usually under the hegemony of bourgeois populist parties, some of which identify with social-democracy. The inability of these leaderships to propose alternative solutions to the crisis than those of the IMF, as well as their compromises with the

regimes in power, leads them to oppose the democratic aspirations of the peoples, to oppose their rights to food, health, education, work and culture.

– Capitalism is not confined to the imperialist metropolises. Already economic liberal experiences in the third world mean a worse disaster than for the planned economies of Eastern Europe. The 1970s rhetoric about the “new economic order”, the transfer of technology, “self-centred” development and a Marshall plan for the third world is going up in smoke. The combined effects of the economic crisis and the new international relationship of forces accentuate unequal and combined development between countries and within countries. New forms of dependency (technology, services) are growing, causing profound agrarian and urban crises. This turn confirms the failure of reformist and populist leaderships in an open world economy and prepares the way for the development of reactionary religious populism or desperate chauvinism. The workers' movement, which in some countries is developing dynamically in relation to the industrialization of recent decades (Brazil, Korea, South Africa), is also in some places experiencing decomposition (Peru, Bolivia).

The tasks which flow from this are:

- a) a continuing international campaign for cancellation of the debt;
- b) mobilizations against military intervention and imperialist bases (in Lat in America, Philippines, Africa);
- c) continuation of solidarity activities with Nicaragua and Salvador, and especially the anti-apartheid struggle;
- d) defence of the Cuban revolution against imperialism.
- e) The mobilization for an end to the Gulf war and for the defeat of imperialist aggression are obviously the central tasks. The United States wanted, prepared and planned this war from the outset, rejecting any possibility of a negotiated solution. The “liberation of Kuwait” and “defence of international law” which has been so often and for so long flouted by the US and its allies, in Panama as in occupied Palestine, are simply a pretext to crush Iraq. The US obtained the cooperation of their imperialist allies, the negotiated complicity of the Soviet and Chinese bureaucracies, the support and blessing of the corrupt and dependent regimes of the Third World, including among the Arab regimes.

Just recently they armed and supported the Iraqi dictatorship in its aggressive war against Iran. They closed their eyes on the persecution of Iraqi oppositionists and the massacre of the Kurdish people. After eight years of war, at the cost of completely running down the economy and of hundreds of thousands of victims, the Iraqi dictator came to ask for what was due to him from his hidden partners: an increase in oil prices, a reduction of his debt, access to the sea. The invasion of Kuwait was his reaction to their refusal. It was not a national liberation war nor a war to emancipate the peoples concerned but a brutal invasive act in line with the image of the Iraqi regime.

The imperialist powers took this as an excuse for a major operation of which the increasingly openly-admitted goal was nothing other than establishing a “new order” or a new “Pax Americana” in the region and worldwide. In reality, the march towards this new order started with the carpet bombing, the killings and the tumult of the war. These announced the new imperialist division of the world which will itself bring new conflicts.

The aggression against Iraq was already a large-scale experiment of new killing machines. New electronic gadgets are in use, tons of bombs are piling up, the threat of tactical nuclear weapons is brandished, while there is a wellorganized manipulation of international information by the military. For the imperialist coalition the aim was to

eliminate a regional power that could threaten their oil interests and counterbalance the power of the Zionist state, the main regional ally of the United States. In exchange for its loyal services, the Zionist state will have a free hand to push forward its action against the Palestinian uprising in the occupied territories, including by the deportation of the population by one means or another.

Faced with this barbaric enterprise, we are unconditionally for the defeat of the imperialist aggressors, in solidarity with the Iraqi people, victims of terror bombing as well as with the Arab peoples who, in their respective countries, are rising up against their aggression and the regimes which are contributing or covering it, under pretext of a shameful neutrality.

In the imperialist countries and the countries belonging to the coalition, we work for the development of a powerful and united movement against the war, for an immediate stop to the bombings, and for the immediate and unconditional withdrawal of the troops. We oppose the war effort and its financial and social consequences. We call on soldiers, military reservists, young people, to refuse to participate in this war in any form and we are in solidarity with soldiers disciplined for refusal to obey, mutiny or desertion.

In the Arab countries, we develop the mobilization against imperialist intervention and against the corrupt regimes allied to imperialism. We demand that the governments which pretend to be neutral to contribute their support to the Iraqi people, starting by breaking the embargo which is reducing them to starvation. We are for breaking the isolation of Iraq by increasing the fronts against the imperialist presence and its allies. At the same time we combat any illusions in the mass movement concerning the regime of Saddam Hussein.

We counterpose world wide solidarity with struggles against all oppressions to the new world order of the oppressors.

X. Crisis of leadership and inter-imperialist conflicts

* The crisis of bureaucratic dictatorships does not mean that the crisis of bourgeois leadership is overcome. The unprecedented concentration of economic power is not necessarily expressed in the emergence of a new hegemonic imperialism. Three competing poles are tending to organize on a

regional basis. The economic decline of the United States, in spite of sectoral recoveries, has continued to the advantage of the Japan and Germany. Even if the dollar's role is now shared by several currencies, American imperialism remains because of the existence of a single state, an internal market and an overwhelming military power.

* European construction is founded on the internationalization and concentration of capital. But since the beginning of the crisis there have been just as many, if not more, mergers between European and Japanese or American capital as inter-European mergers, depending on the sector. However Europe has more or less passed the test and European integration was relaunched at the end of the 1970s (European monetary system, election of the Euro Parliament), then in the mid-1980s (extension, Single Act, exploration of monetary union). But the European project comes up against the management of the social relationship of forces in the framework of the old nation states: how can there be a real single commercial market without unification of the social dimension and thus a risk of unification of the working class across the continent? The explosion in Eastern Europe adds to these already existing difficulties, forcing a redefinition of the European project.

* The imperialist countries have enjoyed relative peace for half a century, but the counterpart has been more than 140 inter-state or ethnic conflicts whose human cost is estimated at more than 20 million victims. The collapse of the imaginary danger coming from the East leaves the enormous Atlanticist military apparatus exposed and without a legitimate role. The results of the Swiss referendum on the abolition of the army is one indication of this. Governments fear a rise of anti-militarism, particularly as détente in Eastern Europe starkly reveals the functions of third-world policing devolved to various special, rapid intervention forces, introduced some 10 years ago.

The USSR has been reduced to a major continental power riddled with internal conflicts; France and Britain are second-rate military powers. Germany could play a preponderant role in Europe in line with its economic strength if it committed itself to an active international military policy. Only

US imperialism can today claim to play the role of world cop. It has used the pretext of the Iraqi intervention in Kuwait to reaffirm this military supremacy and dictate its conditions to its allies. Despite the increasing number of international conferences, the partial reductions in nuclear arsenals and peace declarations, this crisis on the contrary illustrates the still active intrinsically warlike tendencies of imperialism and the threat of war.

â€¢ Withdrawal of all troops and foreign armies from Germany.

â€¢ Dissolution of NATO and Warsaw Pact.

â€¢ A denuclearized Europe.

â€¢ Disbanding imperialist intervention forces and the abolition of professional armies.

â€¢ Defence of democratic rights for soldiers and young people’s right to refuse military service.

* The perspective of a United Socialist States of Europe has a new relevance in the current crisis, replying both to plans for European imperialist unity and to the explosion of Eastern Europe:

â€¢ Against an anti-democratic Europe, a Europe of the rich; dissolution of technocratic institutions in Brussels; rejection of agreements for a Europe run by police; initiatives for a pan-European People’s Assembly.

â€¢ Defence of democratic rights, in particular for women (right to work, abortion rights), immigrants (right to vote, equal rights); against racism, xenophobia, sexism.

â€¢ Right of self-determination for oppressed nationalities, East and West.

â€¢ Upwards harmonization of social rights to the highest level, East and West; defence of social benefits, free and good quality social services; the right to work and to a decent standard of living.

â€¢ Ecological pact with a nuclear moratorium, stopping industrial pollution, protection of rivers, seas and forests.

XI. A new world hierarchy of domination and dependence

* The evolution of the relationship of forces in East European societies is not taking place in a vacuum. It is determined both by the specific economic and social crisis of these countries, and by the new international relationship of forces that are shaping up. The crisis does not signal a fatal collapse of the imperialist economy. Its central element is a new division between profits and wages, a new distribution of profits and the creation of a new world hierarchy. The capacity of the imperialist bourgeoisies to hang onto the political initiative and successfully reconquer East European markets depends a lot on the outcome, or rather on future sudden developments, of the economic crisis.

* The 15 years of profound turbulence experienced by the capitalist world since the reversal of the expansive wave have resulted in important changes in the balance of forces.

â€¢ The end of the 1970s saw a contraction of trade in the centre and an upsurge of credits linked to petro-dollars towards the dependent countries and Eastern Europe. For these two regions, the 1980s turn was dramatic and has resulted in the debt crisis and a more direct subordination to the IMF. They have suffered from a deterioration in trading terms, shrinking world markets for raw materials (a consequence of new technologies in the traditional raw materials' economy), and the rise of the dollar in the first half of the decade, along with interest rates. After 1985, third-world countries suffered additionally from the consequences of the USSR's crisis.

â€¢ As the decade unfolded, while world trade developed in volume at an annual rhythm of 7%, exchange rates benefited the producers of manufactured goods, whose share of world trade increased from 53% in 1973 to around 80% at the end of the 1980s. The only dependant countries to benefit from this growth were essentially those of South-East Asia. This growth, conditioned by the opening up of the American market, contrasts with the fate of other newly-industrialized countries, whose situation has worsened.

â€¢ The US/Japan/Europe complex will in future concentrate two-thirds of research and development capacities, almost all new technologies, more than 90% of world investments and nearly 95% of the capitalization of world stock markets. Within this, the USA has seen its world role deteriorate to the benefit of Japan and West Germany.

* In the imperialist centres, restructuring has been stepped up via the application of free-market policies since the 1980s turn: increased unemployment, de-indexation of wages, challenging of collective agreements, development of flexible, part-time and insecure work. Changes in productive processes and in methods of financing the economy have helped to boost profits.

â€¢ But they still come up against the narrowness of markets and real increases in interest rates, leading to increased costs for borrowing and bigger returns from financial placements, in turn resulting in less productive investment.

â€¢ In the framework of the upturn, elements of a new mode of accumulation are coming together in the imperialist centres: new mass consumer products, even if the markets will be more fragmented and differentiated than those for automobiles or domestic electrical goods; new production techniques, work organization and wage relations (flexible hours and pay). But: a) all this does not assure a continual spiral of production/consumption: problem of market openings at a time when the dependent countries are strangled by the debt, or where the pressure of austerity policies continues in the imperialist countries;

b) nor does it yet mean a new generalized and systematic relationship, which could be crowned by a new mode of state regulation playing a comparable role, in new continental spaces, to that played by Keynesian policies in the framework of the post-war nation states.

â€¢ International cooperation between the big central banks and governments has increased since 1985/87. But it cannot make up for the absence of a really dominant imperialist pole with a supra-national authority managing an international currency. European integration will allow the currencies concerned to be stabilized, but the internationalization of economies will continue to gnaw away at the efficacy of Keynesian measures.

* The upturn in the main imperialist countries since 1982 conceals a desynchronization of conjunctures and considerable world indebtedness, notably in the USA:

â€¢ American growth after the 1979-82 recession was achieved on the basis of an unprecedented balance-of-payments deficit (massive financing from Japanese capital), expressing both the change in the social relationship of forces (tax support to companies) and increased military spending. At the same time, the American trade deficit is an expression of the US market's role as the main outlet for products from Asia and the structural weakness of the US economy.

â€¢ While world unemployment growth and the deterioration of the relationship of forces vis a vis the trade-unions allowed a certain recovery in company profits, final consumption was maintained thanks to a general fall in savings and a considerable growth in consumer credit.

â€¢ Massive cash injections in the economy after the October 1987 crash avoided it leading to recession. The crash came after several years of austerity policies and low investment levels, but with a progressive recovery of profit margins. These first of all served to reduce companies' indebtedness. But from the beginning of 1987, in the perspective of the Single Market, increased productive investment sparked off a dynamic that the crash alone could not. European growth has remained strongly self-centred, with a big development in inter-Community exchanges.

â€¢ World trade really took off in the 1980s, but this is essentially the effect of the relations between OECD countries and the dragons of the Asian region, together with a decrease in trade with the dependent countries and Eastern Europe (outside of the FDR). Direct investments in the USA (coming mainly from Europe and Asia) fed this growth and wrong-footed the protectionist tendencies manifest in the USA.

â€¢ The manifest slowing down of growth since 1989 in the USA and Britain will not spark off a generalized and synchronized recession if it is thwarted by indigenous sources of growth in Japan and Europe. But reductions in military spending or increased fiscal measures to reduce the US balance-of-payments deficit could snowball, and the speculative character of financing the deficit could then precipitate a major crisis.

* Despite the gains made, imperialism is a long way from having reached the necessary conditions for a prolonged economic upturn, like that of the 1950s/1960s. The reintegration of one or several East European countries into the world market is insufficient. On the other hand, a qualitatively new situation would be created if imperialism succeeded in reconquering the Soviet Union and/or China.

â€¢ The dominant bourgeoisies are obviously very interested in getting involved politically and economically, but for the time being bankers and private investors remain prudent in the face of an economic abyss and political and social instability (lack of reliable representatives and control over the social movement, volatility of electoral relationship of forces).

â€¢ Available capital that could play the role of the dollar during the post-war Marshall Plan suffers from the lack of a unified political will and a monetary tool.

The 1980s upturn does not mark a new expansion profiting everybody, but a deepening of inequalities and a transfer of the costs of the crisis onto the weakest. Indeed, it is impossible simultaneously to finance investments in the imperialist centre, help Eastern Europe to come back towards the market by cushioning the social effects of this “liberalization”, and help the third world to absorb the blows.

* The imperialist bourgeoisies have succeeded in going onto the offensive by inflicting partial defeats on their working classes, winning the collaboration of the reformist leaderships in the name of national interest and transferring a large part of the cost of the crisis onto the third world. This is expressed today in their plans for the capitalist reunification of Germany, building an imperialist Europe, driving back the revolution in the so-called regional zones of conflict with the blessing of the Soviet bureaucracy, and in their aim of reconquering East European markets.

However, nowhere have the defeats suffered by the international workers’ movement taken on the dimension of an historical defeat. The relationship of forces remains unstable. Despite the disorganization of the traditional workers’ movement in the imperialist centres, there are still important reserves of social resistance. The situation of the workers’ movement in the main imperialist countries has a strong influence on other fronts at a time when the crisis of the planned economies — long identified with socialism — is plunging many revolutionary movements into confusion.

For this unstable equilibrium to tip one way or the other, either the bourgeoisie will have to win some overwhelming victories in the key imperialist countries or it will have to defeat the resistance to the market economy that will occur in Eastern Europe. This situation could be turned around rapidly if a new deepening of the crisis coincided with the start of independent workers’ activity in certain East European countries — particularly in the USSR.

From this point of view, developments in the USSR, China and Germany will play a determinant role.

* In spite of sporadic explosions in those sectors hit hardest by the crisis, privatization and the deterioration of public services, in the 1980s the bourgeoisie in the imperialist countries has once again made the running (carving up the labour market, flexible work, general decline in unionization and class consciousness). There was an upturn of struggles in Europe at the end of the 1980s (much less so in the USA and Japan), set off by the central bourgeoisies’ capacity for negotiation based on resources provided by the upturn. There was no cumulative dynamic of reconstituting a vanguard: revolutionary forces were isolated and the left oppositions in the traditional parties weakened or defeated. Electoral disaffection was expressed in abstentions and the rise of the Greens, but also in the rise of an aggressive extreme-right. Unlike the 1950s, this extreme-right not only expresses the rancour of a traditional petty-bourgeoisie condemned by modernization, but also the disarray of certain sectors of the working class. In these conditions, the struggle against racism and xenophobia is a central and long-term task.

* The defeats inflicted on the working classes of the imperialist countries, the compromises accepted by their reformist leaderships and the introduction of new technologies and forms of work organization are destined to increase differences in labour productivity to the detriment of the dependant countries and the planned economies. In these conditions, sharpened international competition has a greater negative impact on the living conditions of workers in these countries.

⚡ In the bureaucratized workers’ states, we are still only seeing the beginning of the reorganization of the independent workers’ movement, probably on a bigger scale in the USSR (the miners’ strike, for example). The question remains as to how the relationship of forces will work out in the framework of this reorganization and what its tempo will be: the development of class consciousness in these countries was different when capitalism was contested at its centre by millions of strikers and a strong anti-war movement (as was the case at the end of the 1960s) from that of today, with defensive, dispersed struggles and no project for social transformation.

“New world order” or international instability

â€¢ In the third world, violent social explosions have erupted in profoundly different situations. In Brazil, South Africa and Korea a new, combative proletariat exists. At the same time, in other countries de-industrialization, burgeoning informal sectors and urban marginality predominate. In a world economy that is more internationalized than ever, traditional populism is at a dead-end. In some countries its decline is boosting reactionary, religious populism or desperate chauvinism. From the point of view of reorganizing the vanguard, the collapse of the so-called socialist “camp” will call for major reclassifications