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VIEWPOINT



Meet Indonesia's Marxists...



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The new Europe?

The June elections to the European Parliament sent a major shock wave through the political system. **François Vercammen** reports.

In Italy the presidents of four parties have resigned. Social democrats in Flanders polled even less than the fascist Vlaams Blok. In France, the presidential system established by Charles de Gaulle is in terminal crisis.

The big shift in European politics is mainly the result of the crisis of social democracy. Centre-left and labour parties are in power everywhere except Spain and Ireland. As a result of their unpopular policies, part of their traditional base has deserted them.

A huge number of EU citizens didn't bother to vote. But these abstentionists aren't unpolitical. They aren't happy with the EU, but that doesn't mean they reject the idea of European integration. And former social democratic voters haven't (yet) switched their allegiance to right wing parties.

The composition of national parliaments hasn't changed (except in Belgium and Luxembourg). But the election sent clear warning signs to all the governing parties.

The centre-right European People's Party is demanding a bigger share of European Commission members (previously divided between the centre-right and centre-left blocs which dominate European politics).

The social democrats...

More and more voters reject the current (neoliberal) political consensus, and are looking for a deep change in the way society is run. Many social democratic voters are unhappy with the anti-social policies of their 'leaders'.

The Balkan war increased the popularity of "tough" social democratic prime ministers and foreign ministers. But the "Kosovo effect" didn't boost support for their governments, or make much difference to voters.

Smaller non-governmental parties which opposed the war generally suffered a fall in electoral support. Italy's Refounded Communists, Spain's United Left, and the joint French campaign of the Revolutionary Communist League (LCR) and Workers Struggle (LO) all scored less than expected.

EU leaders, most of them social democrats, have drawn their own conclusions from the latest Balkan war. They want to demonstrate EU power, through "common defence", a more effective domination of eastern and central Europe, and more coordinated top-level decision making (hence all the talk about "institutional reform.") This new muscular strategy more-or-less officially replaces their previous—formal—commitment to building a "social Europe" alongside their economic common market.

German chancellor Gerhard Schroeder has already bitten the bullet. His social democratic party was punished by voters, but not as much as his Green

coalition partners. He has reorganised his government team, and is pushing through the largest packet of budget cuts in the history of post-war Germany.

French prime minister Lionel Jospin has the same long-term goals. Though he is still careful to wave the flag of traditional social democratic values, in opposition to the Schroeder-Blair 'new centre'.

Italian prime minister Massimo D'Alema didn't even wait until after the elections. He calmly attacked the retirement pension system during the election campaign. No surprise that his centre-left PDS scored a miserable 16%. Party leaders are now promising more consultation with trade union leaders, and less "American style" politics.

...in crisis

The elections reveal a new stage in the crisis of the traditional labour movement.

There is a fundamental shift in the relationship between social democratic parties and trade unions. For over 100 years, this pair ensured the stability of the European capitalist system, while winning enough reforms to maintain a significant base of support among working people.

In the 1980s, social democratic leaders tried to "disconnect" from the trade unions, to reassure the bourgeoisie. But a growing segment of the ruling class would like to reincorporate the labour movement into the political system, to improve stability. Trade union leaders are starting to realise these new possibilities, in terms of legislative access, high-level consultation, and material privileges. The problem is that the social democrats no longer have sufficient electoral credibility among working people. So how will the new relationship between capital and labour be managed?

Some social democratic parties are also wrestling with a deeper, "strategic" collapse. Neoliberal reforms have alienated their base among manual and clerical workers, and they have not won significant new support among white collar voters and youth.

How heavy will the electoral consequences become? And if this means passing from government into opposition, what alternative policies could they credibly argue for?

Green parties won many of the votes lost by the social democrats (except in Germany). But these parties are overwhelmingly in favour of the neoliberal consensus. They have overcome their inhibitions, and joined governments in Germany, France and (since these elections) Belgium.

Under Joschka Fischer (Germany) and Daniel Cohn-Bendit (France), the Greens have completed their mutation into a liberal/libertarian current.

The Greens have never built a comparable base of electoral support to

the social democrats. Without a stable, organised base, they can only rely on well-educated and well-paid urban strata. This explains the recent call by Germany's Young Greens to "liquidate" the protest spirit of 1968, and absorb the country's other small liberal party, the FDP.

This crisis of the old and new political forces which support the neo-liberal consensus has deepened the gap between "most ordinary people"—who are unhappy and cynical, and the social movements which try to organise resistance—and "their" political-institutional representatives, who are going in the opposite direction.

Desperately seeking legitimacy

The loss of sovereignty towards the EU supranational state is a particularly strong problem in the Scandinavian countries. Denmark's two anti-EU movements won more EuroParliament votes than the country's social democratic government. Sweden's (ex-Communist) Left Party won an impressive 16% (4% in 1994).

Elsewhere, the situation is quite different. Most voters in Germany, France, Belgium and Holland see the EU as a *fait accompli*, and the only geo-economic strategy for their country. And many in Ireland, Spain, Italy and Greece see the EU as a valuable source of subsidies and other support. Of course, this does not prevent criticism of the EU, particularly where it is associated with policies of austerity and privatisation.

This north-south differentiation is likely to continue. But there is another problem emerging. The question of EU supra-nationality has begun to undermine the national political system in Britain and France—two of the largest countries in the EU.

Dissident nationalists split the vote of Britain's Conservatives and France's Gaullist right. Both parties have a long history, and sizable support within the working class and petty bourgeoisie. They cannot easily digest and enthusiastically support the surrender of national sovereignty involved in the single European currency, and fiscal and military integration.

Most of Britain's Labour voters are also opposed to closer European integration. So are French socialists of the Chevenement current, and supporters of the Communist Party (PCF). France's influential intellectual circles are also increasingly suspicious of the supranational EU state.

Europe of regions

Meanwhile, the growing political importance of national and regional questions has actually strengthened the European Union. Politicians in Corsica, Scotland and Wales are arguing for a weaker link with central government, in a framework of EU cooperation.

Since "independence within Europe" offers stability plus national identity, nationalist and regional parties are gaining strength everywhere.

British Prime Minister Tony Blair thought decentralisation would reinforce Labour's traditional domination of the Scottish and Welsh political climate. He could not have been more wrong. In Spain too, regional and separatist parties are gaining ground, particularly in municipal elections.

This new dynamic reflects a vast, complex democratic question, which neither the nation states—nor the EU—can yet solve.

State and society

The other great question which haunted the June EuroElections was the relationship between state and society.

Not only is there a debate about the state's role in economic regulation (the world crisis, globalisation). But state "interference" in social relationships is less and less tolerated.

This is a very contradictory process, partly reflecting the omnipresence of the market, and "free" competition, partly reflecting the shift of power from politicians to judges, and partly the result of the evaporation of traditional schemes to protect the poor and the weak.

This process also reflects the growing self-awareness of "civil society." All forms of domination are being challenged—though not with the same subversive spirit as in 1968.

Moral attitudes on fundamental questions like life, death, birth, sexuality and education are evolving rapidly. This requires new legal responses to questions of civilisation like homosexuality, abortion, euthanasia and genetic engineering.

Progressive parties aren't the only ones finding it hard to respond. The Christian-democratic right is also in deep confusion.

The Pope is not making their life any easier. His obsession is saving the Catholic church from the steady decline in religiosity across western Europe. He has increasingly intervened in Italian and world politics.

On questions of capitalist exploitation, debt, the commercialisation of everyday life and human relations, and the Balkan war, the Pope is certainly to the left of "modernists" like the Greens, the social democrats, and "official" intellectuals. So his solution to the existential crisis is both reactionary and 'against the current.'

The 'Pope factor' has helped smash up the Christian democrats, to the great joy of right-wing mavericks like Silvio Berlusconi. The slow reinvention of Flanders' Christian Democrats recently collapsed. Even Germany's CDU-CSU is losing its urban voters, and increasingly becoming a party of the old, the rural and the reactionary.

Germany's conservatives did well in

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the EuroElections, but much of this success went to the Bavarian CSU, a clearly reactionary and specifically Bavarian party. Their CDU partners in the rest of Germany actually lost votes.

The electoral awakening of the hard right current has generally taken votes away from the traditional conservative parties.

Left recomposition

In this context, a new, radical left is taking shape across Europe. It includes the "Trotskyist" LO-LCR list in France, other far left groups which have outgrown sectarianism and ultra-leftism, those Communist Parties which have survived the collapse of Stalinism and (at least partially) distanced themselves from that phenomena, some currents of social democracy, and some (unstable) Green currents.

Despite its growing electoral success, this radical left movement is still very clearly a counter-current, in a general climate of working class defensiveness.

The challenge for these parties is to address the actually-existing society, recognising its centres of resistance, organisation, and militant vitality. And not to continue talking and acting in terms of what they think society and the working class *should* be.

Traditional labour and social organisations are still very important, but they have lost their monopoly as mediators between society and government.

Civil society is more active, and more agile. But it has not yet built instruments for collective, constant intervention. Nor is there the necessary accumulation and coagulation of forces.

To take one example: there is little enduring organised expression after the enormous mobilisations of Belgium's "white marches" against corruption, government arrogance, and child abuse—despite the fact that this movement continues to exist and have electoral consequences.

Other social movements have had a more "protagonist" profile—the European Marches against Unemployment, the ATTAC movement for taxation of financial speculation, and the Campaign for the Abolition of Third World Debt.

The base of these new movements is still very small. But they have played a very valuable role in forcing media coverage, and public debate.

West European society is increasingly agitated. Can the anti-capitalist left parties overcome the inadequacies of their past, and find the organisational forms, activities and ideas to capture the radical spirit? ★



The revolutionary vote in France

The far left now has five representatives in the European parliament. **Alain Mathieu** reports

The revolutionary socialist LO-LCR list scored a record 5.2% (915,000 votes). The list won 7-10% support in most working class areas, including the "red belt" of Communist-controlled towns around Paris. In Paris, Lyon, Toulouse, Strasbourg, Bordeaux, Lille and Clement-Ferrand, it did better than the Communist Party.

A significant number of left voters are clearly to the left of the socialist-communist-green government. Their support for the "Trotskyist" LO-LCR is a clear sign to the employers and the right, as well as to those left parties which would rather manage the crisis than oppose it.

Almost one million left voters said "No!" to the policies that have led to mass unemployment and poverty. They want an alternative to the dictates of the employers and capitalist "logic."

Future social struggles will be able to build on this electoral force. Struggles like the movement for a 35 hour week, the regularisation of the "sans-papiers" (undocumented immigrants), and opposition to pension cuts, privatisation, and the poisoning of the European food supply by the agro-industrial complex. These and other themes of the LO-LCR campaign are sure to provoke popular unrest in the coming months. They will make more and more people aware of the gap between the "plural left" government, and the aspirations of working people.

Despite this good score, we have

certainly not shifted the balance of forces towards the left. And there is no guarantee that we will repeat this record score in future elections.

Only 47% of voters participated in these elections, but abstentionism was a bigger problem for the divided right and far right parties. The 18-25 age group participated *more* than usual. The Socialist Party won 21% of the youth vote, the Greens won 19%, LO-LCR 8%, and the Communist Party 4%.

The far left vote has been growing steadily. In 1994, they scored 3.7%. In the 1998 regional elections, LO and LCR scored about 4.5%—though they only stood candidates in areas where they had militants.

Of course, the LO-LCR list is still a small movement. More frustrated left voters opted for the Greens (9.7%) or the Communist Party's "Let's Move Europe" list (6.8%). Both these parties' campaigns distanced themselves from the coalition government in which they still participate.

Greens join the establishment

Although Green leader Daniel Cohn-Bendit was pro-war and pro-neoliberal, many voters saw the Greens as a "more European" party, a more ecological choice, and a less bellicose participant in the Kosovo war. Others voted Green to protest the government's refusal to give residence permits to the *sans-papiers*.

Although the Greens have moved to the right, they managed to project an image of radicalism, and distance themselves from the coalition government. In the medium and long term, however, Cohn-Bendit's fanatical support for the European social-liberal integration project will oblige the Greens

The author is a member of the United Secretariat of the 4th International. This article first appeared in the July-August issue of our French sister-magazine *Inprecor*

to distance themselves more clearly from their traditional pro-social and anti-neoliberal image.

Those who voted for the Cohn-Bendit list were certainly not stating their support for neoliberalism or the NATO bombing campaign. The opportunist Green leader was careful to play down these elements in his campaign discourse.

Communist Party in crisis

The steady decline of the Communist Party continues. This was its worse result ever. Half the party's candidates were non-members (including Socialist Party member Fode Sylla, the former head of *SOS Racisme*). Party leader Robert Hue desperately tried to bridge the gap between his determination to stay in government, and the growing frustration of the Communist rank and file. The resulting eclectic list of candidates were both for and against the NATO bombing, and both for and against the Maastricht treaty on European economic convergence.

Not surprisingly, many CP militants boycotted the campaign, or even voted for the LO-LCR list. Others abstained. Robert Hue increasingly faces a structural problem: whatever he does, the party loses votes. As in other parts of Europe, the "transformation" of the Communist parties looks more and more like a dead end.

The growing electoral popularity of France's two main "Trotskyist" groups is one result of the radicalisation that followed the massive 1995 public sector strike. This period has also seen a recomposition of the trade union movement, which seems increasingly weak and divided (though this could change if mass struggles develop around the 35 hour week, or against pension reforms).

Of course, the main effect of the 1995 public sector strike was played on the main stage of French politics: the triumphalist right-wing parties were blocked by the strike, and have still not reorganised themselves. Their vote has steadily declined, and both conservative and far right parties have suffered damaging splits.

Opposition to neoliberalism continues to gain ground in the French political sphere. To the great distress of Green leader Cohn-Bendit, incidentally. "In France, one thing complicates everything," he complained when the results were announced. "The heritage of the 1995 strikes. We need to go beyond that moment... to refuse neoliberalism, but without falling into neotraditionalism."

The LCR/LO success...

The revolutionary campaign reinforced propaganda and agitation for an emergency programme against unemployment and the social crisis. Although they only have about 4,000 members, and few financial resources,

the two parties organised 62 major meetings with party leaders Arlette Laguiller and Alain Krivine, attracting over 32,000 participants. The LCR also organised 150 smaller meetings.

Despite clear media hostility, the campaign did get press and TV coverage—though much less than other currents with similar support among the population.

Old and new supporters flocked to the LCR, boosting membership back to its early 80s level (almost double the 1994 low point). The party established branches in a number of small and medium towns. As well as the joint campaign with LO, the LCR also improved its own profile, mainly through its European 'transitional' programme of measures that would help working people break with the capitalist logic, and start to establish the contours of a socialist system...

Both LO and LCR respected the agreement that underpinned the common campaign. There were even some signs of dialogue and influence—LO gradually began to understand the national questions, and joined the LCR in calling for "No to NATO! No to ethnic cleansing! Yes to Kosovo self-determination!"

...and shortcomings

The LCR is obviously happy with the results. But party leaders are well aware of the campaign's shortcomings.

Portugal Left Bloc, blocked left

Portugal and Greece are the only two EU countries where a majority opposed the NATO bombing of Yugoslavia, writes Luis Branco. Anti-war sentiments gave a welcome boost to the newly formed Left Bloc. But anti-war mobilisation was hindered by hardline Communist Party (PCP), which refused to criticise Yugoslav president Slobodan Milosevic.

In any case, the election results confirmed the slow decline of the PCP, which lost one of its two MEPs (the vote declined from 11.2% in 1994 to 10.3%). In the party's heartlands, most disgruntled voters switched to the ruling Socialist Party.

The three-month old Left Bloc (*Bloco de Esquerda*) did surprisingly well, winning 3% in the main urban areas, and 4% in the capital, Lisbon. The alliance of ex-Communist and "Trotskyist" groups won 60,000 votes—more than its component parts attracted in the previous

The LO-LCR list fell into the trap of a duel with the Communist Party. This was partly the result of simplistic media treatment, but also the result of LO insistence on "the urgent need to rebuild a real communism... a revolutionary communist party." LCR leaders are convinced that few left-wing voters can be attracted to the revolutionary pole of politics through any discourse on "real" communism. Certainly few young people will be won over in this way. It would be better to find other ways to articulate and make credible our anti-capitalist alternative.

The campaign was too often presented as a single slogan: "Vote far-left! Vote revolutionary!" It would have been better to identify our candidates with the four or five key measures that we propose as a European emergency plan against unemployment and social crisis.

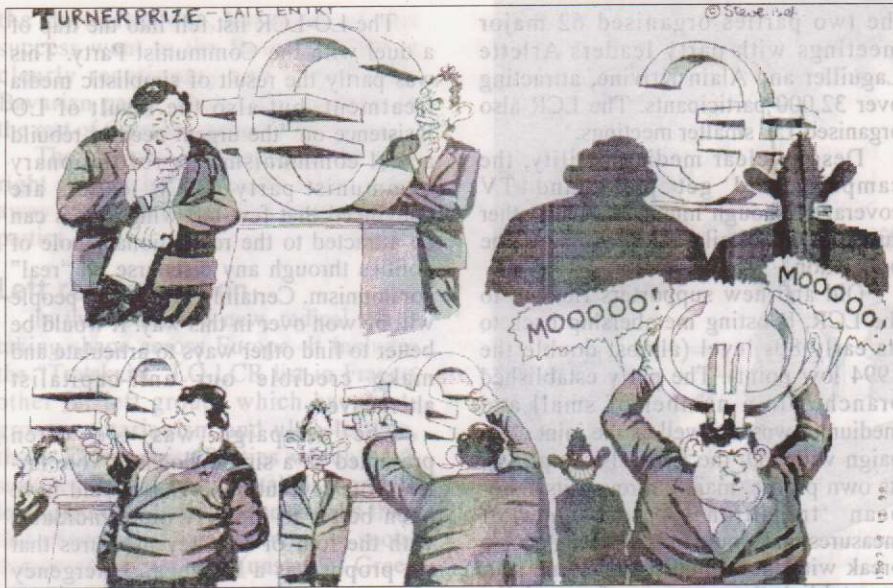
The Kosovo war also reduced the popularity of the LO-LCR list. Debate on social questions was very subdued during the campaign, as a direct result of the war. And the campaign failed to convince potential voters of the need to oppose NATO bombing. It seems that 60% of potential LO-LCR voters were in favour of an intervention against Milosevic... ★

*The author is a leading member of the Revolutionary Communist League (LCR), 4th International. We will be keeping a close watch on the LO-LCR deputies parliamentary work in future issues.

election. If this success continues, the Bloc may win one or more seats in the September '99 parliamentary elections. Though, as in other countries, abstention was noticeably higher in poorer districts. According to the Bloc's spokesman Miguel Portas, "in Lisbon, we are about 3,000 votes short of a second seat in parliament."

A dynamic campaign for peace in the Balkans, decriminalisation of drug addicts, integration of immigrants and refugees, and a more social Europe, enabled the Left Bloc to win a large section of the youth vote, and attract those Socialist Party voters who were disgusted by their party's sabotage of the 1998 abortion referendum. ★

* The author is a leading member of the Socialist Revolutionary Party (PSR), 4th International. The Left Bloc can be contacted at 13 rua Febo Moniz ric esq., 1150 Lisbon, Portugal, fax 01/3144790, <ip267518@ip.pt>. www.bloco-de-esquerda.pt Contributions to the election fund can be sent by cheque, or directly to account #3-2116257-000-001, BPI/Saldanha.



The cost of disunity

The European elections were the first serious challenge to Labour leader Tony Blair. Progressive nationalist forces continued to gain ground in Wales and Scotland. But outside Scotland, the far left is still divided

Veronica Fagan

Participation is always low in European Parliament elections, but Britain's 23% participation rate is a record low. Abysmally low participation in the recent local elections suggests a long term decline in British electoral participation.

According to Welsh Labour leader Rhodri Morgan, only 10% of voters in traditional labour districts participated in these elections, compared to 30% of voters in richer and more conservative districts.

These were the first British elections using proportional representation. This probably helped the opposition Conservatives gain seats in Scotland and Wales. But in England (90% of the British population) Labour would have done even worse under the previous single member ("First Past the Post") system.

The Conservatives won 37.5%. The ruling Labour Party attracted 28%.

Voting patterns reinforced the "Euro-sceptic" current within the Conservatives, as well as the fanatical anti-EU "United Kingdom Independence Party". Pro-EU Conservatives did badly, and are likely to keep a low profile in the coming months.

Labour spokeswoman Margaret

Beckett protested that this election was not about the single currency, even (falsely) claiming that the European Parliament has no jurisdiction in this regard.

More fundamentally, New Labour's attempt to run an election campaign with no reference to European politics

Italy Rethinking "Rifondazione"

The Refounded Communist Party won a disappointing 4.3% of the vote—less than half of those who supported the party in the 1996 parliamentary elections.

Livio Maitan

At least 30% of the lost votes went to the pro-government PdCI, which split from 'Rifondazione' earlier this year. But most of the collapse in the PRC vote was the result of abstentionism. Although *Rifondazione* is still seen as the most radical party, and certainly less corrupt than the rest, many voters were not convinced that it was sufficiently different to justify participation in the election.

Although voters did not punish the party for ending its support for the centre-left government, they clearly perceive the party as less powerful now that it is in total opposition. The war in Kosovo also

certainly backfired.

The contempt in which many potential voters were held by the government was graphically demonstrated by Labour's last election broadcast. The only message was 'Blair is wonderful, so vote for him!'

In Scotland and Wales, nationalists to the left of Labour did well. The Welsh Party *Plaid Cymru* won two seats (they only expected to win one). The Scottish Nationalist Party (SNP) polled 27.2%, not far behind Labour and the Conservatives, who both scored 28.7%.

The best far left result goes to the Scottish Socialist Party (SSP), which won 4.02% of Scottish votes, and 11% of votes in Glasgow, the largest Scottish city. The party has renewed its call for socialist unity—particularly with Arthur Scargill's Socialist Labour Party, which attracted 1.03% of Scottish votes. The SSP has invited Scargill's supporters to join—individually, or as an organised tendency.

Combining these two scores, the Scottish far left did almost as well as the LO-LCR list in France (5.2%). The strong vote will give more credibility to Tommy Sheridan, the SSP representative in the Scottish Parliament.

The English far left was much less successful in articulating the growing disillusionment with New Labour. Dissident Labour MEP Christine Oddy attracted 36,849 votes (4.34%) in the West Midlands. A more autocratic and eclectic campaign by ex-Labour MEP

reinforced voter passivity. The PRC played a leading role in organising Europe's largest peace demonstrations outside Greece. But these only involved tens of thousands of people.

But the main cause of passivity is the seemingly inexorable advance of the Maastricht-guided European capitalist integration project. The new socioeconomic and institutional framework is increasingly unfavourable for the working class and other popular strata. So far, the result has been a tendency towards passivity.

Party leader Fausto Bertinotti is now calling for a profound reformation of the party—redefining socialism, and elaborating an alternative model for society that is relevant for the new generations. A discussion that some of us have been pushing for for a long time... ★



Scottish control over North Sea oil could be used to finance the improved health, education, infrastructure and social policies that most Scots want.

Ken Coates won only 2.41% of East Midlands votes. The Socialist Alliances and Socialist Labour Party failed to attract significant electoral support.

The lesson for the English far left is clear. The only way to win electoral credibility—with abstentionists, and

those radicals who voted Green, nationalist or even Labour—is to follow the example of the Scottish Socialist Party. That means uniting. ★

Source: *Socialist Outlook* <outlook@gn.apc.org>. Additional material from *Socialist Voice*, the weekly of the Scottish Socialist Party.

Spanish state A terrible result for the United Left

These were disastrous elections for the United Left (IU), writes Jaime Pastor. The party won 5.8% of votes and four seats in the European parliament, down from 13.4% and nine seats in 1994. The United Left also did badly in municipal and regional elections.

The United Left has failed to adapt to the Conservative government of Jose-Maria Aznar. In the long years of social democratic government, IU had little difficulty projecting itself as the pro-labour, pro-social alternative. But now it is Felipe Gonzalez' social democrats (PSOE) who make the loudest and most credible criticisms of the Aznar government.

In reality, of course, PSOE is little different from Aznar's People's Party (PP). Both parties have convinced the trade union leadership to accept Europe's worst "flexibilisation" of the labour market. Spain has the highest unemployment rate in the European Union, and 95% of contracts signed in the last four years are part time or fixed term.

IU's delay in reacting to the PP victory in the 1995 elections enabled the conservatives to take power in a number of municipal and regional assemblies. In return, PP minorities allowed IU to preside in a number of municipal assemblies.

The party also alienated some supporters by its clumsy and authoritarian expulsion of the social democratic New Left (NI) current, and its rupture with pro-PSOE partners in Galicia and Catalonia.

A conflictual relationship with the (often sectarian) trade union leaderships, and a pro-Milosevic tinge to the party's anti-war discourse have also demobilised potential supporters. IU has still not thoroughly accepted Spain's plurinational character, and is seen as "too Spanish" by voters in many national minority areas.

These limits explain the party's poor election result. Fortunately, IU is still very definitely opposed to the Maastricht and Amsterdam treaties, and NATO's self-proclaimed "new" role. The four MEPs will surely play their role in resisting the current dynamic of capitalist integration. ★

A Marxist and feminist analysis of the European Union.

From taxation to transport policy, the International Viewpoint team analyse and explain the process of capitalist integration of Europe, and the costs involved for working people, women and youth.

We ask what alternative policies the left can put forward, and make a few modest suggestions of our own. ★

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The Basque radical left won one seat in the European parliament writes Joxe Iriarte "Bikila". The Euskal Herritarrok coalition was formed after the ETA ceasefire. The profound transformation of the Herri Batasuna and ETA milieu has made possible this new alliance, which includes most of the Basque far left, and activists in the social movements (but not the United Left, which suffered a heavy defeat in these elections).

Through Euskal Herritarrok, the revolutionary left Zutik group (a 1980s fusion of the "Trotskyist" LKI and ex-Maoist EMK) has dramatically increased its representation in municipal councils, and in the provincial parliaments of Gipuzcoa, Vizcaya and Navarre.

Euskal Herritarrok intends to work with the LO-LCR MEPs and other 'class struggle' groups in the European parliament, as well as coordinating with the other 'nations without a state.' ★

Jaime Pastor was an unsuccessful European Parliamentary candidate for IU. Joxe Iriarte was elected to the Vizcaya provincial parliament on behalf of Euskal Herritarrok.

Sweden EuroPassive

The European elections confirmed the sad state of the Swedish workers movement.

Peter Lindgren

Participation in the election was under 37%. This is less than the 1995 EU elections (42%) and much lower than the over 80% participation in the last three national elections

Low participation reflects the political passivity amongst the poorer strata of the population. Poorer electoral districts Over half the residents of the wealthy suburbs participated in these EU-elections, compared to about 20% of residents of the poorer districts.

According to professor Peter Esaisson of Stockholm University, "this is probably the most clear class election in Sweden since the twenties."

Despite this class polarisation, the Social Democrats reached an all time low, with 26% of the vote. In other words, only 9.7% of registered voters answered the call of the party that governed the country from 1936 to 1976.

The [ex-Communist] Left Party attracted 15.8% of the vote. This was even better than its 1995 record score of 12.9%. The party's top candidate Jonas Sjoumstedt scored 40% of votes in his district.

The low vote for the Social Democrats is no surprise. The party has been in the forefront for cutbacks and neoliberalism since they returned to government in 1982. Their message to the voters has been "Our cutbacks are painful but necessary". In 1993 the conservative government only dared to cut unemployment benefits from 90% of salary to 80%—provoking a protest demonstration of 30,000 trade unionists. Two years later, the Social Democrats cut it to 75%, and the only demonstrators were about 800 left-wingers.

Although it is moving to the right, the Left Party is increasingly seen as the party that best continues the old social democratic traditions, and best defends the welfare state. Their votes reflects the failure of "modernisers" to eradicate social democratic thinking among working people in Sweden. Voters continue to defend publicly owned hospitals and continue to believe

EUROPA?



ET EUROPA UDEN EU!

Enhedslisten - de rød-grønne

Denmark's Red-Green Alliance (above) supported the anti-EU candidates who 23.4% of the vote, maintaining their four seats in the EuroParliament. The Socialist People's Party dropped from 8.6% to 7.1%, but kept its single seat.

that taxes can be used to the advantage of the people.

Since 1998 the Social Democrats are in government. Their majority in the parliament depends on the Greens and the Left Party. This has prevented them from making serious attacks on the welfare state—though the minor cutbacks for the unemployed and the sick quite clearly show which direction the Social Democrats and some of their partners would like to go.

There has already been a revolt within the Left Party's parliamentary group. Younger MPs like Jenny Lindahl (leader of the party youth league) are responsible for the party's growing popularity. But they also resent the discipline that forces them to vote for cuts in social security.

The terrible passivity of the workers' movement can be seen in the reactions to the Balkan war. The government supported every NATO bomb, not even condemning the bombings of the Swedish embassy in Belgrade. The traditional policy of neutrality has been sold out to the EU without opposition or discussion.

According to Social Democrat MP Bengt Silfverstrand, "the elected leadership of the party and the parliamentary group has not once discussed the Balkan war!"

Progressive NGOs like Workers Aid have received impressive sums of money from the public. But apart from the metal workers national congress in late May, no trade unions made any statement on the war. And even the metal workers' declaration stated that "the EU is a peace project since its first beginning in the late forties".

Parties from outside the mainstream have failed to fill the vacuum in Swedish politics. The anti-immigrant Sweden Democrats became the largest extra-parliamentary party, with an unimpressive 8,568 votes (despite generous financial support from the French National Front). The far-left Socialist Party (4th International) decided not to revive the Justice List, which attracted almost 15,000 votes in 1995. This time, most of the far left* voted—without enthusiasm—for the Left Party. ★

* Except the Trotskyist Justice Party (affiliated to the CWI) which attracted 1,430 votes nationally.

Québec

Slow progress

The convention of Quebec's PDS marks another small step towards the construction of an anti-capitalist party.

Marc Bonhomme

As Canadian politics shifts to the right, Quebec's pro-independence Parti de la démocratie socialiste (PDS) faces big difficulties. Despite the most ambitious left election campaign in Quebec history, the party won only 0.6% of votes in the November 1998 election—compared to almost 1% in 1994.

However, PDS membership increased from 300 to 600 during the election campaign. Delegates to the June 1999 convention represented a relatively good mix of gender and age, with a strong presence of activists in popular social movements.

But there was a disappointing under-representation of trade union activists. Although dissident labour activists have started to regroup in Quebec in the last two years, most are reluctant to break with the bourgeois nationalist Parti Québécois (PQ), which enjoys the loyal support of most union leaders. Despite the PQ's disappointing record in government, there is still little support for an independent labour party.

English speakers and immigrants are still under-represented in the PDS. These groups are uncomfortable, even hostile to the idea of an independent Quebec, and progressives from these communities prefer to be active in the cosmopolitan internationalist or ecologist movements—where they are over-represented. Many such activists think that these activities allow them to be more internationalist than the "nationalist" French-speaking indépendantistes.

Despite these real difficulties, the PDS could certainly have done more to reduce its isolation from these communities. Closer links to other anti-capitalist parties in English-speaking Canada and the USA would also have helped.

There is little love lost between the PDS and Quebec's broader (vague) other left party, the Rassemblement

pour une alternative politique (RAP). Many PDS members were angry that RAP made a last-minute entry into the November 1998 elections, splitting the left vote, and refusing to discuss a coalition.

The RAP seems to have considered the PDS as an agglomeration of activists to be plundered, rather than an equal partner.

Unfortunately, the justified discontent among PDS members provoked the beginning of a sectarian attitude towards the RAP. But leaders of both parties met in July 1999, and agreed to PDS participation in the RAP conference/ seminar on left unity later this year.

No-one knows how the relationship between the two forces will develop. Now that the RAP has adopted a somewhat anti-capitalist programme, the PDS could conceivably merge with them into a kind of new social democratic party, with an anti-capitalist current. Another possible outcome is an electoral coalition. Then again, the RAP may decide to reposition itself as a movement rather than a party, and give (or not) electoral support to the PDS.

Many PDS activists are frustrated with these uncertainties.

But according to one conference delegate, "whether we like it or not, the RAP reflects the state of mind of the majority of left activists."

Quebec has a sad history of bungled left attempts to create a labour or socialist party. In the 1960s the Parti socialiste du Québec (PSQ) failed to recognise the centrality of the independence question; in the '70s many leftists were distracted into sectarian ultra-left Marxist-Leninist experiments; and in the 1980s the Mouvement socialiste (MS) refused to develop beyond the purely electoralist sphere of politics, despite the clear beginnings of the neoliberal counter-offensive.

The challenge

The purpose of the PDS convention was "to built the party in the social struggle"—to go from an anti-capitalist programme to an anti-capitalist practice. To do so, the party decided to propose to the social movements a campaign for an investment of at least C\$10 billion in the public services, for

employment, equality and for jobs.

Cutbacks since 1994 by Canadian and Quebec governments have given rise to a vast list of demands by unions and popular groups to increase social public spending.

Now that Canada has achieved balanced budgets, these social demands are being thwarted by the bosses, who insist on major tax cuts so that Quebec can compete with Ontario and the USA in the context of NAFTA and the WTO.

The convention overwhelmingly backed the campaign, but showed a strong hesitation to get involved at the grass roots level. Because of the weakness of the social organisations and of the fightback movement, because of an absence of strategical debates due to the strength of the neoliberal paradigm and its correlated social partnership strategy, and because of the bad memories of the 70's Marxist-Leninist practice of 'conquering the leadership' of the social movements.

But the need for such a campaign is greater than ever. The PQ may even win over the public sector unions, creating a further demobilisation. Formally organised into a Front commun, the public sector unions are paralysed by bickering over the spoils of the expected budget surplus. Their leadership and even a majority of activists accept the neoliberalism paradigm.

The incapacity of the public sector unions to mobilise themselves to back the courageous and very popular "illegal" nurses strike in July 1999 is a bad omen. ★

• The Parti de la démocratie socialiste (PDS) severed its links with Canada's social democratic NDP in 1989. In 1991, the party declared its support for the independence of the mainly French-speaking "province". In 1992, it democratised, allowing political currents to enter as collective members. Gauche socialiste, the Quebec section of the 4th International, joined in 1994.

In 1994 the party rejected NAFTA, and in 1996 it replaced its social-democrat programme with anti-capitalist demands, including a freeze on the interest payments on the public debt and the expropriation of the banks. The current name was adopted in 1995. In the 1998 elections the party presented 97 candidates in Quebec's 125 ridings (constituencies). [MB] ★



Introducing Indonesia's Marxists

The small revolutionary movement in Indonesia faces tremendous problems in rebuilding a movement destroyed by the 1965 coup, and savagely repressed for the last 35 years.

Most of today's revolutionary left grew out of the 'Marxist-Leninist' student discussion groups which were established in the main Javan universities in the late 1980s. The Philippine Communist Party served as example and provided some training.

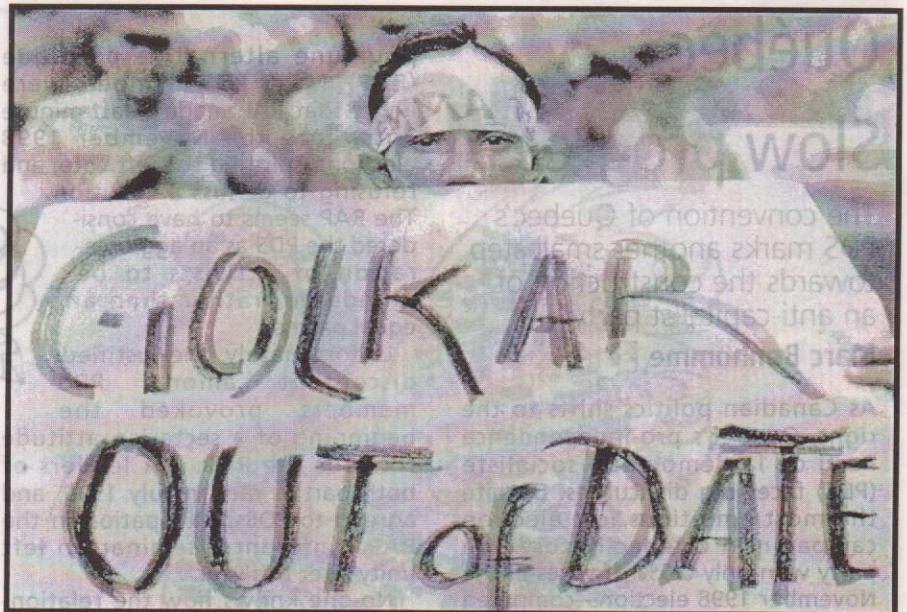
In the 90s most of the Indonesian discussion groups moved away from Maoism—in a process that involved a series of splits—and focused their energies on the urban population.

Mass protests against the Suharto regime enabled these groups to test their ideas in practice, and win a new generation of militants.

Most revolutionary Marxists have gravitated towards the student-based **Peoples Democratic Party (PRD)**.

Others say it is too soon to 'emerge' from clandestine labour organising work.

In the following pages we present both perspectives, and an interview with recently released labour leader Dita Sari.



The power of propaganda

Mark Johnson spoke to Wilson, Coordinator of the PRD Education and Propaganda Department, and Vijay, a student activist.

Most PRD organisers are from a student background, but their deepest ambition is to become a party of students, workers and the urban poor.

Like the rest of the student movement, the main concern of the PRD is ending the military's intervention in politics. They are particularly concerned at Megawati Sukarnoputri's refusal to confront the armed forces, and "her mistaken belief that she can negotiate a gradual reduction in their power."

Students tend to consider "radical" all those who accept the need for "total reformasi"—though many such activists hope to build "human-centred capitalism" rather than any transition to socialism.

Like the other explicitly left parties which contested the election, the PRD stresses that democracy must include the right to form trade unions and peasant organisations. Their originality lies perhaps in the call for the development of independent workers, peasants, and students councils. In the long term, these could form the basis for a genuinely democratic government. In the short and medium term, they focus students' attention on the need for the oppressed peasant and urban poor majority to form their own organisations, outside the structures established by the previous regime.

According to Wilson, "the most important is to set up organisations on day-to-day questions, like water, garbage, roads, electricity. Then we try to introduce political education, using party pamphlets and the newspaper.

At the current step of the Indonesian struggle, we think it is better if these movements are autonomous of the party. We want support on an ideological basis, not an organisational one. If the organisations become too tightly connected, it limits the space for organising. And it limits their ability to do alliance work, because of the widespread anti-socialist prejudices.

"These groups are independent, but influenced by us. A lot of the student movement is linked to PRD. Probably a majority of the activists in the KOMRAD student committee for reform and democracy support us. Some of those cadre put more effort into their student work than into the PRD, but maybe its better to have a strong student movement, than keep them tightly in the PRD, and have a weaker overall movement.

Some of our comrades there now devote so much of their time to building that organisation that they don't have too much energy left for PRD initiatives, but probably its better to have more organisations, reaching more people, rather than one small organisation with a few members."

Social demands

Because of the focus on these basic democratic demands, the public (and most PRD members) are much less aware of the party's social demands. According to Wilson, these include the

reintroduction of state subsidy of nine basic commodities, "at least until the current crisis is over." Wilson doesn't think a longer delay would be possible. "We oppose the IMF line, but, after all, our government doesn't have any money, and it depends on loans from the Western powers." The removal of price subsidies was a central part of the IMF's structural adjustment plan for Indonesia, signed by the previous regime, and which Megawati has promised to uphold.

PRD militants also call for substantial wage increases for all workers. Some say 100%, others 200%. Wilson is not at all worried that some workers might find this demand unrealistic. "Of course, it's pure propaganda. In struggle, you have to demand the maximum, and then negotiate. Even if your maximum demand isn't realistic... If we ask only 50%, they'll still be poor."

Since this is a purely propagandistic demand, there is confusion among party militants on how such increases should be financed—whether employers should pay, or the state. It is also unclear how the party would extend this demand to the peasant majority, or the mass of self-employed or informally employed urban poor. Some militants suggest nationalisation of the assets of the Suharto family and the top foreign multinationals.

More concretely, the PRD says Indonesia should develop a much larger social safety net. "But the problem with the existing programmes is that Golkar uses them as an election campaign fund, not to meet the basic needs of the people," says Wilson.

Megawati

The PRD is still discussing the exact thrust of its campaigning once Megawati takes power. "For the moment, we say that whichever party takes power should implement a genuine *reformasi* agenda. But we have two relatively quiet months until parliament selects the new president. That gives us time to consolidate ourselves, and rebuild political organisations.

"There is no doubt that Megawati will continue IMF policies. Many ordinary people expect that she will reduce prices. In fact, she will do the opposite."

Facing repression.

Although the PRD is a legal party, it faces intermittent repression by military violence, and unidentified thugs probably linked to top military and economic circles. There has also been some harassment of PRD members by Islamic groups—though according to Wilson "these groups are motivated by money, rather than ideology. They are backed and financed by the military. These Islamic gangsters are not our real enemy—the army is behind them."

Fourteen PRD activists were hospitalised on July 1st, after military and police used extreme violence to break up



a protest at the Electoral Commission. Several are still in hospital with gunshot and baton wounds.

Despite the release of Dita Sari (see separate article), several top PRD leaders remain in jail as political prisoners.

Not like western women

According to a PRD student organiser, Vijay, the PRD is "pro-feminist... but based on a thorough scientific analysis of the Indonesian situation. This isn't Europe. You don't have big groups of women marching and chanting free abortion slogans. Nevertheless, women here don't have the same rights as in advanced capitalism. Here we still have many vestiges of feudal thinking."

Islamic fundamentalists don't want a woman to be president, but otherwise, they are too weak to pose a threat to women's rights. "They're growing very fast, and recruiting in the student milieu, but it isn't something we're very worried about yet."

Election success?

The party scored less than 0.03% in the election, but leaders reject any negative criticism of their campaign, or their participation. Winning a large number of votes was never the intention, explains Wilson, who professes not to understand those foreign PRD supporters who "talked up" the party's electoral prospects.

For PRD leaders, the election was about propaganda, and party building. "Because of electoral participation, we were able to spread PRD structures from 55 to at least 116 city groups," says Wilson.

"And ideologically speaking, the more radical element in the student population is coming to the PRD. Many already have a socialist consciousness, so they bring great energy into the party."

"Our demands are becoming more popular. Not just among the students, but among the urban poor. Our biggest success is the influence of our anti-militarism. Our leaders have been arrested, but we continued to play a big role in the democracy movement. We have been able to give a moral boost to these movements. And our contribution is recognised, though perhaps in moral,

rather than ideological terms."

But Wilson does acknowledge some errors in the building of the party. "Our biggest mistake was our strategy during the last weeks of the Suharto period. We had spend several years patiently organising in the urban grass roots areas. But suddenly a large student movement developed, in opposition to the regime. Many of our cadre rushed into the student movement, and joined the massive demonstrations. But in doing so, they abandoned their regular work of political leadership among the people. We had been waiting patiently for the right movement. But when it came, we were no longer in the right place!"

"The reason there were so many riots, after the wave of student protests, is precisely because there was no political leadership of the urban poor. We warned our cadre at the time, but many of them did not listen to us. This lack of discipline reflected their petty bourgeois mentality. The students seemed to be 'where it's at.' So that is where they rushed. Some of us still feel very frustrated that, after sacrificing so much to build a base among the urban poor, we lost our place so quickly when the moment came. So, we learned the hard lesson that patience is very important for a revolutionary group."

A minority in the PRD originally wanted to boycott the elections. But as Wilson explains, "only the student movement could have taken up and organised a real boycott campaign. But the elections were organised during the university holidays! Don't forget that the PRD was still illegal at that time. So there was no real force that could organise a boycott campaign. Also, Megawati has a massive machine, down to the *kampong* (village) level. She tells people that the elections will solve most of their problems. So a boycott campaign wouldn't be very successful."

The election was undemocratic, both in terms of police-military interference, the huge resources at Golkar's disposal, and the obvious fraud during the extended vote-counting procedure. According to Wilson, PRD participation in the election was the best way to expose these shortcomings. The party also received government funds for printing and distributing its electoral programme.

Theoretically, parties that polled under 2% will not be able to participate in the next parliamentary election. But, as Wilson says, "that is a long way away, and a lot can change in the meantime. This is just one of the undemocratic laws we will be fighting to change."

Party building

The PRD has grown rapidly since it was legalised. Estimates of membership vary from 2,000 to 10,000, of which 30-40% are women. "Since most new recruits come from a student background, they need to be tested in organising,"

says Wilson." Only the core of the party—several hundred experienced cadres—have a consolidated Marxist education, and understand the project of building a revolutionary party.

Rapid growth brings many organisational problems. As Wilson complains, "20 branches have Internet access, but to contact some others we need two weeks, to send and receive letters. Organising a centralised party in an archipelago, where the local dynamic can be very different from the national, is extremely difficult. Especially since politics move so fast at the moment."

"There is a possibility for regroupment in the student movement," says Wilson. "Some are willing to build a

long term struggle, and realise that most of the current student committees lack leadership. We criticise that way of organising. And we are pleased to see that more and more students recognise the need for a party, for party-type struggle. The focus of student protest has not changed: ending the dual function of the military. The PRD platform can unite students. We are the only party which prioritises the military question." ★

Notes

It costs US\$10 to send *International Viewpoint* to an Indonesian group for one year. Donations to our own "solidarity fund" can be sent through any of our national sales agents • Donations to the PRD for their own work should be sent to Bank account 34230011501, Bank Central Asia, Matraman branch, Jalan Salemba Raya, Jakarta-Timur, Indonesia.



Parents of "disappeared" student and trade union activists

They still jail trade unionists

Labour leader Dita Sari was released from jail in July after serving three years of a five-year sentence for organising workers to fight for their rights.

Max Lane

Since her release Dita has been helping lead the Indonesian National Front for Labour Struggles (FNPBI). "We have a lot of work to do. The movement here is still small and weak... We are not ready yet to transform the FNPBI into a full-scale trade union federation," she said. The FNPBI is a united front of local worker action committees that Dita considers the "embryo of a future trade union federation."

The FNPBI held a public launch meeting on August 1st. In her speech, Dita said the FNPBI would be ready to transform itself into a trade union in six to 12 months.

"We have the embryo of a garment, textile and footwear union, and also in the chemicals and transport sector. Our organisers have led important actions in a number of cities, most recently in Medan. There have also been important strikes in Surabaya in East Java, especially in the cigarette sector. Our base in Surabaya has only recently been reactivated and the progress is going well. The best thing is that the workers themselves are ready to struggle, especially around their pressing economic needs."

The meeting confirmed Dita's statement about the enthusiasm of the workers for struggle. An hour before the scheduled starting time, the auditorium in central Jakarta was almost full. Workers from all over Java had bussed in that morning, as had delegations from several other cities. All were young. Half were women.

"I have been to several of our bases here in Jakarta already", Dita had explained the evening before, "but there

are many organisers and bases that I haven't been able to meet yet. Tomorrow will be a good chance to speak to a bigger section of the membership."

The launch lasted for about four hours and had several highlights. A fantastic workers' theatre presentation inspired the audience with the need to struggle while taking the micky out of the bosses and supervisors, the military and the hired thugs whom workers have to deal with every day.

A poetry performance almost 30 minutes long had the audience in stitches, as well as shouting their defiance. A moving rendition of the movement's hymn, "Blood of struggle", brought the workers to their feet to reaffirm their commitment.

Dita began her speech by explaining how worker activists had, in 1994-96, formed the Indonesian Centre for Labour Struggles (PPBI) and how it had been crushed following the 1996 crackdown. Dita was arrested then, as was the PPBI secretary-general, Ignatius Pranowo, who is still in jail.

PPBI activists were hunted down by the military, and known bases of support were terrorised. There was a massive black propaganda campaign.

"So the movement had to rebuild using new methods", Dita said. "Local committees were established wherever there were worker protests and wherever workers could be organised more permanently.

"We did not struggle under the PPBI banner, but used the banners of local organisations. Now, the FNPBI can bring together many of these local groups and help provide the movement with a national perspective."

In asserting the need for a national organisation, Dita outlined the situation in this period of *reformasi* (reform). "There have been changes since Suharto was forced to resign. There are many things discussed in the newspapers that could not be discussed during the Suharto era.

"There are many new political parties. There are even many new trade unions, more than 15. The idea that you can protest and demonstrate has spread throughout society... But if we ask what concrete benefits have there been for workers, we must conclude that there has been little change. It's true that the law has been changed to allow trade unions other than the [government-created and -controlled] SPSI, but when we try to register there are many bureaucratic obstacles in our way.

"There is a dualism in the government's policies. At the top, changes are announced, but at the base nothing changes. Our activists are still being intimidated and beaten up by thugs paid for by the bosses."

Dita affirmed many workers' experiences: "The 'security approach' and the use of violence is still what we see every



day at the grassroots level. They want to intimidate us so that we are too frightened to become activists."

On this point, Dita appealed to representatives of other unions present (including the All Indonesia Workers Union—Reform, the Prosperity for Workers Union of Indonesia and the Indonesian Muslim Trade Union). "Let's unite behind a single agenda to end this terror and intimidation, to abolish the dual function of the military", she said.

During our discussion the evening before the meeting, and again a few days later, Dita emphasised that the big challenge was to awaken the workers' movement to the need to take up political

issues. "The big upheavals of 1998 passed most workers by", she said.

"I received reports in prison that very few workers joined the big demonstrations and actions against the dictatorship. That is why the FNPBI has adopted political demands in its program as well, especially the demand for the abolition of the political role of the military."

It was clear at the public meeting that the overwhelming majority of FNPBI workers fully supported the political program adopted at their founding congress several weeks earlier. But Dita emphasised the point in her speech:

"The workers' struggle cannot be for just wage rises, transport allowances, menstruation leave and so on, although these are all important. The workers' struggle is also a political struggle.

"Even to win on basic economic conditions, we must also end the terror. While the military is able to intervene in all our struggles, it will always be difficult to reach fair agreements with the employers. Workers must be able to participate fully in determining the outcome of all government decisions affecting their lives."

Dita also addressed the need to put workers' welfare on the national political agenda. "Did Megawati Sukarnoputri, in her recent speech outlining her policies, mention anything to do with workers even once?", she asked. "No", shouted the audience. "But who voted for Mega? To whom does she owe her winning position?", Dita asked.

She answered, "She owes it to ordinary workers and ordinary folk. We

must and will demand that the PDI-P [Megawati's party] meet its responsibilities to the people who voted for it. We will put forward our program for what any new government must achieve for the workers in its first 100 days!"

But to win these demands, Dita went on to explain, it is insufficient to struggle alone. She referred to the history of joint actions between students and workers in the early '90s and how there were also students who had become activists in the FNPBI. "But we must reach out beyond the students as well, to farmers and to the urban poor."

In the development of the movement for change, she explained, the strength of the workers will play a strategic role. "You must all make sure you guard this organisation, and also protect your leaders, right down to the base. Don't let what happened to the PPBI happen again."

Dita spent time in three prisons. The first, Mandang Prison in Surabaya, burned down when prisoners rioted against too many unofficial taxes. She was moved to a small prison in Malan. "That was the worst time", she said. "I was isolated for eight months. I was not allowed newspapers, radio or to watch TV. The situation improved only when I was moved to Tangerang women's prison in Jakarta.

"But prison is still prison. The thing is to get rid of the prison they have made of society itself, the prison outside." ★

Max Lane is coordinator of ASIET, which organised a three week tour of Australia for Dita, several weeks after her release.

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With the workers

Some revolutionary currents resisted the opportunity to enter the legal arena after the collapse of the Suharto regime.

The "Labour Working Group" preferred to organise themselves as "organic intellectual support" for worker-led labour organising groups like the clandestine KBB (Bandung Workers Organisation).

According to Elaine of the LWG, "we need to build unions now, so that, when the crisis is over, workers can start to claw back their lost wages, and make some new demands. Student leftists say 'Workers, form an independent union!' But they don't teach them how to build. Or how to collect funds. Or how to make a financial report to the members!"

The group often targets factory bus stops. "The driver is the only company representative present, so, if we can win him over, we have no problem," says LWG member Argo. "The workers willingly pay Rp.100 (1.5¢ US) for our leaflets."

The group rejects most outside funding, "because we recognise the relationship of dependence which it creates. But we make an exception for a couple of research projects, which enable us to get primary data for our own benefit, and help finance our other activities."

The LWG is determined not to hegemonise the process of labour

organising and growth in consciousness. As they grow, they are trying to build new collectives for labour and women's organising, to take pressure (and power) away from the core group.

Wage questions

West Java has the highest minimum wage in Indonesia, reflecting the concentration of industry, and the class struggle, in western Java. But in practice this 230,000 Rp/month has become the maximum wage for industrial workers. Many earn about half of this.

"When workers earn only 3000/day, it is easy to organise them into a union, because they have a clear legal right to 7600/day," says Arnold. "But as soon as they win the minimum wage, they are demobilised. Their struggle doesn't create a strong union. So, we use this kind of struggle to build a contact, and to start discussing with a group of workers."

"But if they don't want to go beyond the minimum wage demand, then we orient them towards NGOs that specialise in legal aid. Our 'above-ground' supporters then help them in that way. That enables us to focus our organisers in those workplaces where workers consciousness is a little higher."

[The minimum wage in Sumatra and Sulawesi is closer to Rp.160,000. "But a kilo of rice costs Rp.3,000 anywhere in Indonesia!"]

The LWG traces its origins to the same Marxist-Leninist student circles that produced the PRD (from which they were expelled in the early '90s. They do not share their former comrades' enthusiasm for propagandistic wage demands. "It's not just the question of

abstract propaganda," explains Arnold. "Actually, it's relatively easy to convince people that they deserve a raise to compensate for inflation. But this kind of awareness doesn't help you mobilise very much. Workers must be educated to understand the surplus value question—that workers deserve a bigger share of what is produced."

The price of a decent life

To raise awareness of these questions, the LWG built a wage commission, incorporating workers, NGOs, activists and intellectuals. This researched living conditions, and asked workers to define what they needed.

"At the moment, workers live according to their wages, rather than demanding wages which will enable them to live in dignity," explains Argo. "It is very hard to get workers to imagine that they could—should—eat fruit, and chicken or egg every day. Or that they should have enough money for coffee or tea. It is even harder for them to imagine that each family could have its own house. At the moment, four or five workers from different shifts share one small room, with two beds. But we get them to imagine all this."

"Then we research the price of the goods, to put a price on their dream, to define the wage the workers need to get the life they want. We present this in campaigns, leaflets and posters. The important thing, of course, is that this commission is dominated by the workers themselves."

Independent federation

Painstaking training in organisation building and how to hold democratic elections seems to be bearing fruit. Workers from 50 independent unions in eight provinces came to Bandung in August 1998 to explore the possibilities of closer collaboration between the independent trade unions.

According to KBB leader Arnold, "many trade unions exist formally, but have no real membership base. We want real trade unions, self-financed, and not dependent on government, employers, or outside finances."

"We also want to build from the bottom up. Labour groups like SBSI were established as a federation, and "declare" a new union every time they recruit someone from a new factory. We are trying to build real unions, and then federate them. In the old days, whenever we helped workers create a new workplace union, we said they should decide for themselves about affiliation. Some joined SBSI, others even affiliated to the state-controlled SPSI.

"But now, many of our plant unions want to form their own federation. They say this would give them more weight in negotiations, and protect them against police and employer repression."

Many delegates at the Bandung

conference asked the KBB to organise this new union federation. "Workers know the KBB, and want us to form and lead this federation," says Arnold. "But we refuse. We aren't a union. We are an organisation of labour organisers. We tell them 'erase KBB from your thinking, and build the federation yourselves.' It shouldn't depend on us.

KBB is strongest in the textile and garment sectors. Since worker-organisers have difficulty making connections to other sectors, LWG militants, who have the education, time and resources, have launched an organising campaign in telecom, education, the state-owned textile companies, hotel, restaurant and catering, and banking. "We will build something like KBB in those sectors, then link it to the KBB," explains Argo.

Women

Most professions are still sex-segregated, Argo explains. Over 70% of textile workers are women, and the men tend to have better-paid jobs as mechanics or supervisors. Most employers pay men a supplementary meal allowance, "to cover their greater appetites." To make matters worse, the Indonesian tax system favours married men, but continues to tax married women as if they were single, without dependents. "This is why we need to motivate women to participate in the union, and motivate other women to attend. We need women to take over more of the important positions in the movement."

Manipulating the workers

LWG members are frustrated with the way the larger student-led left groups relate to working people. Students have long recognised workers as a key base of support for the student-led reform movement. But the way they have incorporated workers has occasionally damaged workers own interests.

According to one angry organiser, "student radicals typically encourage workers in dispute to focus their demands on government, even to travel to Jakarta. Workers are pressed into a string of demonstrations—including the (irrelevant) ILO office, or the US embassy.

"At such demonstrations, workers' demands are invariably marginalised as a succession of student speakers make epic speeches about *reformasi*.

"Even worse, by bringing workers to Jakarta to demonstrate, student organisers effectively allow the boss to occupy the factory, and recruit new workers. In some such cases, angry workers have burned down the factory.

"Some students see this as proof of a growing anti-capitalist consciousness. But in reality, many such workers are also extremely bitter towards the 'provocateurs' who they blame for their unemployment." [MJ] ★



Youth and the revolution

Indonesia's greatest novelist Pramoedya Ananta Toer¹ gave this speech when he joined the Peoples Democratic Party (PRD) earlier this year.

"Long live democracy!

At this moment, in the midst of this spirited and enthusiastic Young Generation,² I truly feel happy. This is the most important event in my life, what I have dreamed of since I was young: to witness for myself the birth of a Young Generation not burdened by bombastism, and which is rational, corrective, critical, and all of this bound by firmness of commitment.

There are PRD members lost in who knows what jungle, those kidnapped, and those whose jungle we know, those in gaol. They are all victims of the staged trials that are the fashion today. Now I am in the midst of the PRD, among whom are some who escaped from kidnapping. In fact I was one of the first victims of kidnapping, in 1959.³ Although back then, it was not news.

I assess the Young Generation—I mean the PRD—as being of higher quality than the generations that have gone before. Since you were children you have been educated with the political lies of the New Order,⁴ painting the New Order as angels and depicting all those layers of society who refuse to defend it as devils. From primary school to university. And you all have seen through those lies.

You are of the Left, that is you side with people, the lower levels of society. Because for so long the people have just been the playthings of the elite. Except during the Old Order,⁵ because in that period there were political forces that stood beside the people. The fall of the

Old Order meant that the people and the country became loot for multinational capitalism working together with the national elite as their guard dogs.

Let us make a comparison with the Young Generation of the years before 1920. They, university students who received scholarships from the colonial government in the Netherlands as well as the exiles of the *Indische* Party, discovered a homeland and nation and they called it Indonesia. This was a glorious and great discovery.

Unfortunately, the flaws of this discovery were as great as its glory. There was no socio-political concept and it was imbued with antipathy to history. For example, the name Indonesia means "Indian islands." The name itself was invented by an Englishman and then popularised by the German ethnologist, Adolf Bastian (1826-1905). The name "India" for Indonesia originates from the Western nation's hunt for spices in the Moluccas starting in the early 15th century, a hunt that led to the whole of the non-Western world being dominated by the West. These spices came from what is known today as Indonesia, but always traded as "made in India". While under Portuguese domination, it was known as Portuguese India.

Under Dutch colonialism it was called Dutch India... [But] History had given birth to two names for what is Indonesia now, namely "Nusantara" during the period of the kingdom of Majapahit,⁶ which means "islands in between (two continents), and even older is "Dipantara" from the time of the Singasari kingdom, which means "fortress between (two continents)".

This older name is pregnant with political meaning because the King of Singasari, Kertanegara, built military alliances with other Southeast Asian

coastal kingdoms against the expansion of Kublai Khan from the north.

And even till today, there are still no voices, not a single voice, calling for correction of all this.

If we make a comparison with the Young Generation with their Youth Pledge,⁷ also a genuinely glorious event, the PRD exhibits more ideas with greater depth. In the 20s only 3.5% of the population could read and write. The increase in the number of literate people began only with national independence. Taking into account this statistic we can understand the deficiencies of the Young Generation of this period.

The '45 Generation⁸ was also glorious. With no self-interest, without reserve, they devoted all their body and soul, ready to die, in order to defend national independence on every inch of the homeland. Because the main problem they faced were the armed attacks of the colonialists, most of their activities were made up of shooting, the rifle ruled.

They did not get to developing socio-political and economic concepts, like you are developing now, such as peoples democracy, popular democracy. And you must never forget that no matter how glorious was the '45 revolution that succeeded in seizing and defending national independence, it was begun by the gangsters of the Senen Markets in Jakarta.

The 66 Generation?⁹ There is nothing more to evaluate on them! And then came the Malari Generation¹⁰ who wanted reform under the slogan "military back to the barracks", in line with the reform outlook of General Sumitro.¹¹ Both of them, [the students and General Sumitro], were defeated by the New Order, with tactics which are becoming classic features of our history.

This is why I am proud to be among you all today, you who have prepared your ideas, have started to put them into practice in the field, and smiles maturely ready to accept the consequences, never mind how bitter.

There is no cry more appropriate for all this than "Long live the PRD!"

I am convinced that you are prepared than those who have gone before you and will succeed more than those who have gone before you. I know that you will not denigrate the value of the Indonesian human being through the use of massacre, and the theft of their fundamental rights. Because as was taught by Multatuli,¹² "the duty of all humans is to become human."

I believe that tomorrow or the next day, you will not speak in the name of the nation in defence of your own interests, or of your group's interests or for the sake of power. It is only ever valid to speak in the name of the nation if there is democracy. Its almost like people have been struck with senility so that they can't remember that the nation comprises three elements: its inhabitants or citizens, the homeland itself or the inhabited

territory and the government. To speak on behalf of the nation requires the representation of all three elements. To denigrate any one element is corruption. And corruption in thinking inevitably spreads into actions.

I say all this not in order to praise you who have not yet had the chance to succeed, but only to locate you in these comparisons. You have what it takes to succeed better in lifting up our homeland and nation to the level we all dream.

In our modern history, the Young Generation—except the '66 Generation—has always been the motor driving things forward. Despite all the flaws and limitations of youth. The most important of which is of course the lack of courage for self-correction.

Courage! Again: courage! For the youth in particular courage is the greatest of all capital. Without courage, as I have often said, you will be treated like cattle: deceived, herded from here to there and back again or even herded ready for massacre. It is only courage that can make a firm character.

Long live the PRD!"

Jakarta, March 21, 1999.

Notes

1. Author of several works of revolutionary historical literature. He was a guerrilla fighter against the Dutch in 1945, eventually being captured. In the late 1950s, he became a prominent literary figure and polemicist in the broad Indonesian anti-imperialist movement. He was kidnapped and imprisoned by the military in 1959 for his defence of the Indonesian Chinese community. In 1965, he was again arrested during Suharto's purges and massacres of the Indonesian left. He was beaten, kept in prison in Jakarta until 1969 and then shifted to the infamous Buru Island prison camp until 1979. He was released in 1979 but placed under city arrest. Despite bannings and harassment, he has continued to publish novels that he wrote in prison. He has been a consistent critic and opponent of the Suharto regime.
2. A term that emerged in the early 20th century to refer to youth activists against colonialism. It later became fixed in Indonesian political vocabulary to refer to each generation or wave of activists.
3. Pramoedy was kidnapped on orders of the Army high command as a result of his writings defending the Indonesian Chinese community. He spent a year in gaol without trial.
4. The period of the rule of General Suharto, which began in October, 1965.
5. The period 1959-65, especially the years 1962-65, when the Indonesian Communist Party and the Sukarnoist Left wing increased in size and political influence. During this period, Sukarno was President.
6. The kingdoms of Majapahit and Singosari were major maritime powers in the region during the Hindu-Buddhist period.
7. An oath that came out of a congress of anti-colonial youth activists in 1920. It was the first time that a substantial body of anti-colonial activists committed themselves to an independent united nation with Malay as the national language.
8. The generation of youth activists that fought the Dutch colonialists between 1945-1949. Pramoedy himself was a guerrilla fighter against the Dutch. He was eventually captured and imprisoned by the Dutch.
9. The student activists who sided with the military in 1965-7 during the purges and massacres of leftists.
10. The student leaders who campaigned against corruption and military abuse during 1973-74. The movement was crushed in January, 1974 with more than 200 students arrested.
11. General Sumitro was the most powerful figure in the Indonesian regime after Suharto in 1973. He flirted with limited political liberalisation as well as with the student opposition and also liberalised conditions in the prison camps. He was forced to resign after the 19784 student protests were crushed.
12. A lower Dutch official in the early colonial administration who exposed the corruption and abused of colonialism in a famous Dutch novel and was himself punished as a result.

Hard labour

Examples of the conditions in which Indonesia's workers work and struggle

Striking factory workers attacked

P.T. Brentanindo Asri in north Jakarta is a foreign-owned factory that exports all its produce—woollen jackets—to Europe. The workers are paid well below the legal minimum wage and do not receive most legal entitlements.

The workers struck from May 10 to 22 to demand: a wage rise from 5900 rupiah per day to the legal minimum for Jakarta of R7700 (US\$1); overtime payments of R1300 per hour, with double time on Sundays; the freedom to organise; allowances for one meal while working a normal day's shift; transportation; and a weekly pay slip (detailing overtime, for example). These are legal entitlements in Indonesian labour law.

On May 10 and 11 the workers held actions at the factory gates. On May 12 they rallied at the Department of Labour office, and from May 13 to 16 they again rallied at the factory gates. From May 10, 50 thugs paid by the factory confronted the workers each time they demonstrated outside the factory. On May 19, the number of thugs increased to 150.

During a rally on the May 16, a worker was arrested by factory security. That night, two workers were kidnapped from their quarters by local (neighbourhood) security and only released 24 hours later.

By May 18, the strikers were also protesting outside the National Human Rights Committee office against the attacks on them. They returned to the factory gates on May 19 and were joined by workers' organisers from KOBAR (the Workers Committee for Reform Action) and two student organisations.

At 6am on May 20, around 800, mostly women, workers rallied at the factory gates. At 7am, a group of paid thugs started intimidating the workers into returning to work. By 7.30am, some workers had entered the factory and those who remained outside were still being threatened by the thugs.

At around 7.50am the protesting workers began giving speeches, singing songs of struggle and chanting. At 8.30am a contingent from KOBAR and the student organisations joined the action to demand an end to temporary contracts and for menstruation leave and pregnancy leave. At 10.30am police arrived for discussions with the factory



management. At around 11am, a motor bike was ridden from inside the factory directly into the workers sitting outside. A number of workers were injured.

At around 11.30am more students arrived and at noon workers and students stood on top of the factory gate calling those who had started work to stop and join the rally. Half an hour later 35 workers had downed tools.

Two hours later a truck of anti-riot troops arrived. The strike coordinating committee decided to end the rally for the day and march to the workers' quarters. The march was violently attacked by the troops and a lawyer from the Jakarta Legal Aid Institute was arrested on the charge of "provocation".

The rally was attacked again and 17 students and nine workers were arrested and taken away. Six other workers were knocked unconscious.

The strike was finally defeated on May 22 and 120 of the 800 workers were sacked, including all of the strike organisers and the most militant workers.

Fighting for annual leave or workers' compensation

Novia, aged 23, is employed by Matahari Sentosa Jaya, which produces socks, thread, dye and clothing, employing around 10,000 workers. Novia is a machinist at the Bandung (West Java) Matahari factory and works 10 hours a day, seven days a week.

There is no annual leave, and the only form of sick leave is a token amount of menstruation leave.

Novia sometimes has to work for 84 hours a week. She usually has no choice about doing overtime, which is paid at the same rate as normal time. The maximum single shift in Novia's factory—24 hours—is enforced if there is a production target to meet.

Occupational health and safety is a major problem for the workers. Novia says the concentration required is exhausting and by the end of her work day she has to be very careful not to catch her finger in the unsafe sewing machine. Machinists often lose fingers or sustain serious finger injuries.

In other sections of the factory, the workers suffer disproportionately high

rates of stomach disorders, asthma and typhoid. The death rate too is high; one worker died in early June from steam burns. There is a clinic on site, but it has no doctor. A worker needing to go to hospital has to pay up front unless they can prove to management that their condition is work related. Many illnesses therefore go untreated. Injured workers who can no longer work have no accident coverage.

Novia receives the legal minimum wage for Bandung of R7700 per day (US\$1 or A\$1.50), plus R1250 per day to buy food at the factory. An adequate meal costs around R2000.

Novia spends most of her wage on food. She pays R16,000 per month to rent her one-third share of a room. Their residence has 28 rooms, all with three workers in each. The building has one outside kitchen and only three bathrooms.

The right to organise

Novia was drawn into the workers' movement last October when the Worker-Student Alliance organised a strike around wages and conditions at the factory. Out of that strike the workers formed a factory level trade union called Matahari Workers Struggle Union (SPBM). Novia became a key activist in the union.

The SPBM has 4000 dues paying members from the work force of 12,500 and is supported by almost all of the workers. The entire work force joined a strike last year.

Before the strike, there was no sickness, maternity or annual leave and no rest periods during 10- to 12-hour shifts. Working conditions were extremely unsafe and there were no medical facilities or provision of safe work clothing.

Organisers began visiting workers at home to discuss factory conditions and the need to strike. This is a common method of organisation, because factory

gates are guarded by the military.

On October 10, a group of workers began rallying outside the factory gates hoping they would be joined by other workers arriving for work. The military arrested five strike leaders, confiscated banners and placards, and forced other workers to enter the factory. They also photographed and demanded to see the identification cards of those who refused to enter.

An hour later, only a small number of workers remained outside. They marched to the workers' quarters to ask other workers to join the action. The large response was enough to counter the military's intimidation and by 11am the strike was under way and factory production was shut down.

Thousands of workers rallied in front of the factory demanding: a 100% pay increase; maternity and menstruation leave; shift breaks; the abolition of the government controlled All-Indonesia Workers Union (SPSI); an end to military intervention in industrial disputes; and the abolition of the military's role in politics. They also demanded that management stop sacking workers and provide food, transport and accommodation allowances, as well as safe work clothes, an on-site medical clinic and *musholah* (Muslim place of prayer), along with compensation for injured workers.

The following day, 6000 workers rallied at the provincial parliament building and the day after that 4000 demonstrated there. It was during these rallies that the formation of a Matahari factory union was mooted.

Accompanied by soldiers, factory managers "visited" hundreds of workers to try to force them to sign a form declaring they would return to work the following day. Not one worker agreed and management eventually gave up.

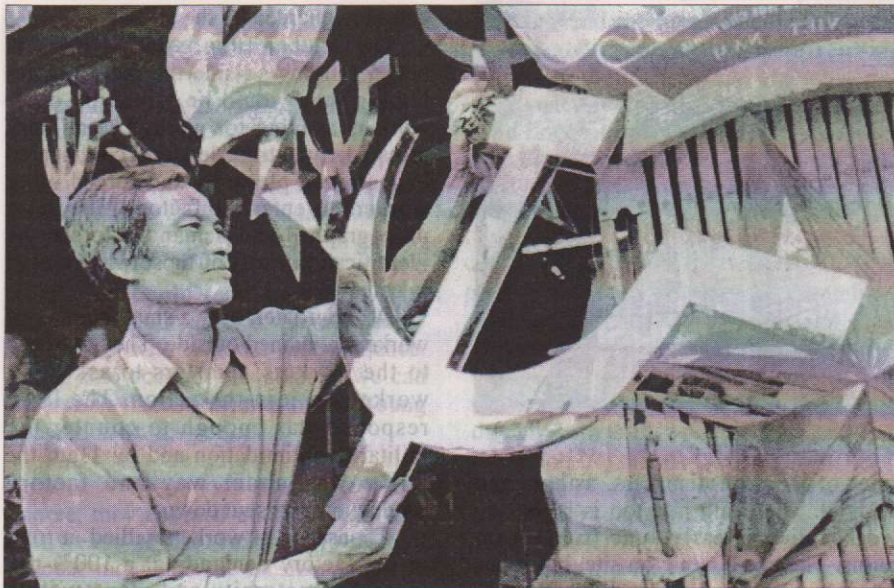
Production remained at a standstill for five days before management agreed to all the workers' demands, except the 100% wage increase and the dissolution of SPSI. When the workers returned to work, the military presence at the factory increased dramatically.

The SPBM was established the following month, but it was not legally recognised until June. Since then, the SPBM secretariat has been attacked by hired thugs, who also sexually and verbally harass factory workers, in particular SPBM activists.

Management has begun sacking SPBM leaders after members of the SPSI "observe" them to find some "fault" that can be used as a pretext. The military now sits in on all discussions between the SPBM and management. ★

The best source of Indonesia news is Action in Solidarity with Indonesia and East Timor (ASJET). Check their website, subscribe to their e-mail update!

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Vietnam's black gold

In June the Vietnam Coal Corporation (Vinacoal) said that an "unexpected" surplus of coal requires the suspension of production and "temporary" pit closures. Over 87,000 jobs are at risk.

Gerard Greenfield

The day after Vinacoal called a halt to production, miners at the larger state-owned mines were told that production stoppages would be rotated through the mines until December. Miners at many of the smaller state-owned mines were simply told to take "unexpected leave."

Vinacoal's subsidiaries have allocated a total wage bill of VND 54 billion (US\$3.9 million) for the duration of the stoppage, but it is already clear that this will not meet the basic needs of miners and their families.¹ Assuming that only the 70,000 miners on long-term contracts will be paid, each miner will only receive VND 257,000 (\$18.50) per month during a three-month shutdown. If the wage bill is spread over a six-month shutdown, then miners' wages will fall below 50% of basic needs.

Even before the temporary shutdown was announced, severe cost-cutting and restructuring by Vinacoal resulted in miners at some sites receiving VND 300,000 (\$22) per month, or even as little as VND 100,000 (\$7.20).²

Over the past six years, miners' wages have been irregular, and thousands of miners at medium and small-scale mine sites were without wages for periods of up to three months. In one case, over a hundred miners working at a

state-owned shaft mine in Ha Tu district went without wages for three months and were eventually forced to sell everything at the site to survive.³

The current industry-wide stoppage is on a much greater scale, involving the immediate suspension of 16,000 miners on short-term contracts. These miners will not be eligible for any wages during the shutdown.⁴

State trade unions

The Vinacoal Trade Union—which claims to represent all 86,000 miners, since independent trade unions are illegal—supports the management's view that it was necessary to "eliminate the positions of 15,000 short-term and seasonal workers to improve efficiency and production."⁵

This is nothing new for Vietnam's official unions. Less than a decade earlier the union (functioning as part of the Ministry of Energy) accepted the replacement of permanent employment with contracts, bringing an end to job security for mining industry workers in the state sector.

In several of the medium and small mines under Vinacoal's control, most workers are on short-term contracts.

Not surprisingly the Vinacoal Trade Union agreed to the "temporary" production stoppage announced at the beginning of June. Trade union officials also reiterated the management's view that only 50,000 out of the 86,000 miners currently employed are needed, making 36,000 miners effectively "redundant".⁶

This paves the way for the Government and the IMF/World Bank's long-standing plan to dispose of surplus labour in the coal mining industry and impose

more far-reaching labour market deregulation. Nearly 20,000 of the 70,000 miners on long-term contracts will be officially declared redundant over the next few months and will be laid-off permanently.

Vinacoal's managers and Party-state officials obviously see the six-month production stoppage as a temporary measure that will fall short of resolving the problem of excess capacity and over-production. Yet it was the creation of Vinacoal as a commercialised state-owned conglomerate, and its drive for an export-oriented expansion of coal output over the last four years which led to the crisis in the first place.

Socialist commodity economy?

Formed in 1995 through a merger of dozens of state-owned coal mines, coal processing, trading and engineering companies at both local and national levels, Vinacoal is presented as a model of Vietnam's successful transition to a "socialist commodity economy", combining state ownership with profit-maximising, export-oriented competitiveness and integration into regional and global networks of transnational mining and finance capital. As Vinacoal's director, Nguyen Van Kiem, declared at the end of the conglomerate's first year of operations, the objective is to constantly increase productivity and output for the sake of profit, not jobs.⁷

Within its first twelve months of operation, Vinacoal increased annual coal production in the Quang Ninh mining districts from 5m. to 9.3m. tonnes. Vietnam became the world's largest exporter of anthracite coal. Nearly one-third of all anthracite shipped to the world market in 1997 was exported from Vietnam.⁸

Based on this "success" (through which a million tonnes of surplus coal was stockpiled), Vinacoal was given direct management of its subsidiaries' mines in 1997. This allowed this fraction of bureaucratic capitalists to bring about further changes in production arrangements and the labour process. These changes intensified market reforms forced on the miners since 1981-83, involving the introduction of piece-rate wages, the replacement of regular workers with seasonal and short-term contract workers, and increased managerial power, including the authority to hire and fire workers.

Hand in hand with the IMF

In the next two years, Vinacoal moved closer to the "disposal of surplus labour" which the IMF and World Bank had been pushing since the mid-1980s. In fact, the World Bank was already extensively involved in technical projects advising the Vietnamese Government on privatisation and deregulation of the coal mining industry, as well as funding projects in Quang Ninh Province through

the United Nations Development Programme (which the World Bank used as a 'front' before the US economic embargo was lifted). This created the conditions for the entry of transnational mining capital through joint ventures and production contracts with Vinacoal and its subsidiaries.

Japanese capital

Japan is the largest importer of anthracite from Vietnam. Bilateral aid and loans were extended through the Japan International Cooperation Agency (JICA) and Official Development Assistance (ODA) to support the interests of Japanese trading companies and heavy industry.

This combination of technical assistance and soft loans for "development" led to the acquisition by Sumitomo Corporation of a long-term contract with Vinacoal's Hon Gai Coal Company to export coal to Japan. This gave Sumitomo control over more than half of Vietnam's coal exports to Japan.⁹

By providing exaggerated estimates of Japan's coal import needs and encouraging the expansion of coal output, Sumitomo ensured that excess stockpiles of coal would force Vinacoal to lower the price of coal exports.

By the end of 1997 there was a stockpile of two million tonnes of coal. But Vinacoal continued to increase production and formed joint ventures with foreign mining companies from Canada and Japan to create new coal mining capacity.

At the same time, Vinacoal's Coc 6, Sao Son and Deo Nai mines all increased coal output, in the drive for higher profits.

Accidents and over-production

All this involved a combination of cost cutting and increasing the pace and intensity of work, which led to dozens of accidents and fatalities.

Although Vinacoal's declared turnover was \$200 million in 1998, working conditions and health and safety continued to deteriorate in the state-run mines up until the shutdown. At least 110 miners were killed or injured in accidents in 1996 and 107 in 1997. On January 12, 1999, 17 miners were killed in an explosion in a state-owned underground mine in Dong Trieu.

In response to several more deaths at the Mao Khe mine a month later, Vinacoal's subsidiary paid the equivalent of \$3,600 in compensation to each of the families of the dead miners and promised \$500,000 for the improvement of safety at the mine. But because of the new austerity measures, this money never arrived.¹⁰

Despite the clear signs of over-production since 1997, Vinacoal announced as recently as January, 1999, that it would increase annual production to 11m. tonnes in 2000, 16m. in 2002, and

20m. by 2020. Under this rapid expansion, coal would be "mined at a profit" and oriented towards exports rather than the "less profitable" domestic market.

The export-oriented over-production that followed was partly driven by Vinacoal's access to loans from transnational banks, which led to debt-financed expansion. This included a \$30 million loan in 1997 from six overseas banks in a consortium led by US-based Citicorp.

Faced with debt repayment obligations of eight per cent interest over five years, Vinacoal was then compelled to announce a new target of 12m. tonnes/year by 2000.¹¹

Joint ventures, low wages

The Party-state's strategy of industrialisation is based on the combination of foreign capital, fractions of capital emerging from within the Party-state apparatus and a low-wage strategy of accumulation.

Within this context, the formation of Vinacoal consolidated the wealth and power of particular fractions of capital in the ruling class and reasserted their power over local fractions of capital in Quang Ninh which were forming direct linkages with transnational capital.

State intervention and recentralisation under Vinacoal served to redirect these linkages with transnational capital though the central Party-state apparatus and its emergent bourgeoisie.

The resulting joint ventures and production contracts between Vinacoal and foreign mining capital required the opening of new mine sites as well as the

expansion of existing mines. This led to massive over-production.

In a joint venture formed in 1991 between Uong Bi Coal Company and PT Vietmindo Energitama from Indonesia, a new shaft mine was opened to extract and export coal to Japan. The \$27 million project received a 30 year licence, but was briefly stalled because of public protest over the illegal acquisition of collective agricultural land by the company. However, the intervention of Vinacoal (which Uong Bi Coal Company merged into after 1995) and local authorities to protect the interests of PT Vietmindo meant that the excavation went ahead anyway.

In another joint venture, Cavico International Ltd from Canada set up a \$22.4 million project with Vinacoal to exploit the Nui Beo coal mine for a period of 28 years, during which it plans to extract and export 29m. tonnes of coal. Cavico holds a controlling share of the project and will provide most of the investment funds, while Vinacoal is providing \$8.5m. in equipment and onsite facilities, as well as linkages to political power and the support of the Party-state.

Destroying state capacity

Given the scale of coal exports planned under this project, it is clear that this joint venture with transnational mining capital requires the closure and destruction of state-owned mining capacity so that Cavico can fill a proportionately larger share of total coal exports.¹²

The production stoppage at the state-owned mines does not apply to mines operating under joint ventures or production contracts with foreign capital. In effect this stoppage and the possibility of the permanent closure of several state-owned mines will give foreign mining companies operating in Vietnam a larger share of the coal export market, and eventually the domestic market.

In April, the ASEAN Energy Cooperation meeting (chaired by the director of Vinacoal) created the ASEAN Forum on Coal (AFOC) for multilateral cooperation in coal mining and trade. In the context of seeking greater integration of the Vietnamese economy into networks of regional capital, one of the primary objectives of AFOC will be to oversee privatisation and deregulation of the coal mining industry and "greater private sector participation in coal mining and utilisation through joint ventures."¹³

Bandit mining

Another important factor underlying over-production and the coal stockpiles that led to the production stoppage and 'temporary' mass layoffs is the involvement of Communist Party officials, high ranking military officers and state-owned coal company managers in illegal coal



"In contrast to the self-organisation and rank-and-file militancy of Vietnam's miners... the event has since been reinvented by the Communist regime as part of its own nationalist-productivist project—bound up in the Communist Party's own history from above and the capitalist goals of productivism."

Picture: Anti-Stalinist left newspaper of the 1930s

mining or "bandit coal mining" (*than to phi*) over the last seven years.¹⁴

Under market reforms, Party-state bureaucrats and managers broke down the Quang Ninh miners' collective resistance to an increasing rate of exploitation by encouraging the proliferation of bandit mines in and around state-owned mines. Bandit mines involved little expenditure on infrastructure and exploited cheap labour—unskilled rural workers displaced from the countryside, child labourers, and retired miners forced back into work by inadequate pensions.

This had the effect of shifting production away from state-owned mines, leaving miners without work and consequently without wages. By operating illegal mines within state-owned mines, the emergent capitalists in the Party-state apparatus achieved a de facto privatisation, consolidating their managerial power and control, and rendering ineffective miners' collective power.

In one of the oldest mines, run by the Hong Gai Coal Company, the director attempted to impose an economic rationalisation programme involving the reduction of the workforce from 13,500 to 7,000, but pulled back in the face of collective protest. The response was to withdraw from production altogether, focusing on trading and financial activities, while buying coal from the illegal bandit mines.

This included the largest coal mining companies under Vinacoal, like Hong Gai Coal Company, which regularly makes up a third of its stated output with coal bought from bandit mines. Vinacoal, which was praised by the central Party-state leadership for doubling coal exports, only employed 10,000 of the country's 70,000-90,000 workers.¹⁵

Economic decentralisation and market reforms in the early 1990s, led high-ranking military officers in Quang Ninh to expand their business activities into bandit mining, employing 7,000 soldier-labourers in over 20 coal mines. Even the mines operated by the "coal militia army corps" which were established in 1968 during the massive US bombing of North Vietnam were appropriated by high-ranking officers as their "privately owned" coal mines.¹⁶

Although it was claimed that the formation of Vinacoal would reestablish state control in the mining industry and bring an end to bandit mining, Vinacoal simply centralised the purchase of coal from bandit mines and encouraged their expansion.

The 1995 Prime Minister's directives No.381 and No.382 banning all forms of bandit mining did not stop the expansion of bandit mining. In fact, the Prime Minister's directives were used by the managers of Vinacoal and its subsidiaries to order the closure of those mines operated by local Party officials, military units, criminal gangs and private trading companies that refused to sell their

output to Vinacoal.

Meanwhile, the directors of state-owned coal companies under Vinacoal expanded their bandit mines and increased output, particularly for export to China and Japan. Over one million tonnes of illegal coal is exported to China every year, equal to a third of the total amount of official anthracite exports.¹⁷ Probably about half of official exports come from bandit mines.

Two of Vinacoal's largest subsidiaries, the Hong Gai Coal Company and Quang Ninh Coal Company, operated over 300 bandit mines. One of Hong Gai Coal Company's subsidiaries, Suoi Lai Coal Enterprise, operated 27 bandit mines—over 70% of its coal output came from bandit mines. When miners reported that the director had bought 6,000 tonnes of black market coal to substitute for their own work, the People's Committee merely confiscated VND 10 million from the enterprise and issued a warning - the effect of which was "like a mosquito biting wood."¹⁸ Miners were not compensated for wages lost during stoppages caused by the substitution of their own output with black market coal, and no changes were made to the system of management and control.

Praising the success of Vinacoal's performance on 12 November 1996—the 60th anniversary of Coal Miners' Day—the then Communist Party General Secretary, Do Muoi, announced that, "The current industrialisation and modernisation process needs more coal and coal miners should strive to meet the growing demand of the economy." The objective was "to increase coal output and quality as well as to strive for higher labour productivity and lower product cost"—as Vinacoal's commercialised, profit-oriented activities sufficiently demonstrated. Invoking the ritualistic notions of "discipline" and "sacrifice", Do Muoi then called on the miners to work harder for the sake of this goal.¹⁹

Coal Miners' Day commemorates the mass strike by 30,000 miners at the Hong Gai and Cam Pha mines against the French coal mining companies in 1936. In contrast to the self-organisation and rank-and-file militancy of the miners which led to the strike, the event has since been reinvented by the Communist regime as part of its own nationalist-productivist project. Bound up in the Communist Party's own history from above and the capitalist goals of productivism, Coal Miners' Day and the miners' "good revolutionary traditions" are represented in terms of labour discipline, obedience and acquiescence to the increased pace and intensity of work and increased managerial control over labour.²⁰

The real revolutionary tradition of the 1936 strike underpinned the mass strikes of the early 1950s, the self-reliance and self-organisation in the face of massive

US bombing of the mining communities in the 1960s, and continued resistance through *lan cong* (go-slows) and *bo ve lang* (desertion and returning to the village) throughout the 1970s and 1980s. It was this continued resistance to exploitation and domination in the mines by the bureaucratic ruling class that led to the first 'market reforms' in the mines in 1981-83.

After a decade of reform, go-slows and desertion as a form of resistance were demolished by the imperatives of the market. The production go-slows and stoppages that state sector miners used in the past as a form of resistance have now been turned against them. Rather than deserting, thousands of redundant and unpaid workers in state-run mines are now being transported back to their villages.

Under the new coercive regime of the capitalist labour market, 'cheaper' labour is drawn to the mines from villages and towns faced with massive unemployment. As one observer noted as early as 1992, displaced rural workers and peasants begged for work in the mines, and wages were negotiated briefly: "It's easy. Labour is bargained more quickly than any other commodity.... People's lives and labour are being crushed by the new exploiting class."²¹ ★

Original title: *Miners Face Mass Lay-Offs in the Face of 'Temporary' Pit Closures*

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Profile

Socialist Party of Malaysia

The Socialist Party of Malaysia (SPM) was formed in 1998. Its main priorities are organising plantation workers, factory workers, squatters and the urban poor. Party leader Mohd. Nasir Hashim presents the main elements of the party platform.

- The capitalist system that is the backbone of national and international development continues to destroy humanity and human values whereby the people become commodities to be auctioned off in the daily market. This system in all its harshness and sophistry is also successful in making it a source of profit for the influential and powerful few and in the process destroys the environment (which sustains all living creatures of this earth)
- The national and world's wealth is plundered, confiscated and monopolised by the few (individualistic or monopolistic capitalism) and hoarded by the State (State capitalism, Socialism with the 'iron fist'). Both these systems continue to exploit and divide their people. They continue to destroy humanity and the environment.
- We wish to embark on a new direction, a new horizon. We wish to create a balance whereby the crux for all forms of development will be 'Socialism with a human face'. As such all activities revolve around relationships that are mutually beneficial and destined to protect the environment.
- We wish to grow according to our abilities and the needs of our people who will continually be equipped with resources and up to date information. Such efforts will enable them to achieve their full potential and subsequently prepare them to move their nation into a New World. We wish to focus upon the welfare of our people to ensure that the strength and spirit of humanity becomes the instinct and the culture of the Malaysian race.
- We do not wish to compete with other countries just to fulfil the ego of our leaders, while squandering the people's money. Better to strengthen people's belief and confidence in themselves as the backbone to all forms of development. With the unity and mature analysis we receive from such discipline we wish to interpret this world and simplify the impossible.

The capitalist system of development denigrates democracy, justice and freedom and debases the values of humanity. A brand of socialism that derives its strength from the values of humanity (with all other human activities revolving around it) will correct such decay.



Malaysian politics is dominated by the unattractive choice between the authoritarian protectionism of Prime Minister Mahathir Mohamed, and the neo-liberal proposals of opposition leader Anwar Ibrahim.

Objectives

The survival of this Socialist Party of Malaysia does not depend upon its participation in elections. The role of socialists covers a much wider spectrum than this, that is, the generation of activities to ensure that the people understand their role as the backbone to national development and not merely to support a few people competing to enrich themselves to the detriment of the welfare and the rights of the people.

The role of socialists is to collectively create an environment where exploitation cannot grow, where the abuse of the nation's property and wealth cannot occur, and where

the people are not divided. We are proud of the fact that this unique country is blessed with different races, religions, cultures and ideas.

Our instructions and actions are the product of consultations and collective decisions and motivated by needs but not to fulfil the selfish needs of individuals or specific groups of individuals. All activities will continue to uphold human dignity as propounded by all religions and the need to lead a morally decent life.

Activities

We will initiate programmes on the basis of such dynamic activities that not only will resolve the issues of the day but also will take into account their effects on the future generations. In short, these programmes will effect changes appropriate to its times (evolutionary/reformist) and at the same time prepare the people mentally for such extraordinary change (revolutionary/total change) which in fact is already inherent within such dynamic activities in society. As such the people are already preparing themselves for such change as it is clear that their minds are constantly sharpened to handle new change.

The Socialist Party exists not merely to voice the sufferings of the people but will initiate concrete programs that will benefit the entire people especially those who are being exploited.

- This party has no intention of challenging or denigrating existing political parties but merely to strengthen the socialist ideology that is capable of fulfilling the needs of the people.
- This party wishes to prove its capability to move society to ensure that the people will be truly acknowledged as the backbone to the social and economic aspects of the country.

Our membership is drawn from the various races and religions that make up this unique society. We offer ourselves to serve the people and will cooperate with individuals and organisations that truly wishes to serve the people. ★

Parti Sosialis Malaysia (PSM)
72B Taman Sri Langat
Jalan Reko
43000 Kajang
Selangor
Malaysia

Note: The author left the Parti Rakyat Malaysia (Peoples Party) when it dropped its "socialist" identity in the 1980s. In 1998 he helped found the Socialist Party of Malaysia (Parti Sosialis Malaysia—SPM). He was detained without trial in 1987.[BK]

No War!

The Communist Party of India (M-L—Liberation) issued the following statement during the Kashmir confrontation with Pakistan.

“The Kargil development have exposed much of the official saffron [Hindu fundamentalist] propaganda concerning Kashmir and Indo-Pakistan relations as a veritable bundle of lies.

The ruling party's claim of the grand success of Prime Minister Vajpayee's bus diplomacy [opening a direct bus route to Pakistan] and the Lahore Declaration [a vague promise to control the arms race] sounds a mischievous mockery.

What was paraded as the greatest achievement of the Vajpayee government is now turning out to be a big diplomatic fiasco...

For the Vajpayee government, Operation Vijay [the Indian military response] is first of all a political move. The aim is to whip up war hysteria and sweep away all pressing issues before the people under the carpet of jingoism.

In the name of tackling a war-like situation, the saffron establishment is seeking political sanction for its own fascist agenda. Politicisation of the armed forces has reached threatening proportions. Army bosses are not only daily briefing the media, they are also reported to be attending meetings of the ruling BJP party.

Most political contenders of BJP are also contributing to the intensification of war-hysteria by trying to beat the government in the field of jingoism.

There is a clamour for banning the programmes of Pakistan TV in India and even an embargo on the beaming of world cup cricket matches so that the nation's attention is not diverted from Kargil!

The Left must hold high the banner of peace and appeal to democratic forces in both India and Pakistan to prevail over their respective governments and prevent the outbreak of a fourth Indo-Pakistan war.

Heightened tension and continuing air-strikes may also create a Yugoslavia-

type situation in India leading to more direct imperialist intervention in the region.

All genuine patriots must therefore fight for a return to peaceful bilateral diplomacy between India and Pakistan to stop infiltration in Kargil and work out a phased negotiated settlement of the Kashmir question. ★

Source: *Liberation*—CPI (ML)

Pakistan Workers condemn war

Farooq Suleria

On June 25, 500 workers attending the annual general meeting of *Itehad* (Unity) Carpet Industry Workers Union of Pakistan condemned the war efforts of the ruling classes of both Pakistan and India.

The meeting was addressed by Khurshid Ahmed, general secretary of the Pakistan Workers Confederation (the main body representing organised workers in Pakistan); Yousaf Baluch, the confederation's information secretary; Gulzar Ahmed Choudry, general secretary of the All Pakistan Trade Union Federation; and Farooq Tariq, general secretary of the Labour Party Pakistan (LPP).

Tariq said that the workers of both countries would be the real losers if the war between India and Pakistan escalates. Only the rich, who would enhance their profits, would benefit, he said. He stressed

the need to build a peace movement to counter the fundamentalists.

Most of the carpet workers were from Frontier Province and are generally thought to be conservative and supporters of the *mujahideen* fighters. But at this meeting, the overwhelming majority opposed the war.

The carpet workers' union general secretary, Niaz Khan, also a leader of the LPP, said the bosses have one month to agree to the carpet workers' demands for better wages, social security provisions and better safety measures.

He warned that if the demands are not met, the strike of 1977, which won a 20% pay rise for this most exploited section of the working class in Pakistan, will be repeated. "The carpet workers are in a mood to fight!" he said. ★

This article first appeared in *Green Left Weekly* (Aus.)

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Just as we were congratulating ourselves on our financial stability, we suddenly face a major, unexpected expense. Our permit to house students and lecturers in our 24 rooms has expired, and the Amsterdam fire inspectors have given us a list of additional safety measures we must take in order to have our permit renewed. The list includes installing an alarm system covering the whole building and communicating directly with the fire department. The cost will be at least 40,000 Dutch guilders (US\$20,000).

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Israel Barak's dilemma

Michel Warshawski looks at the prospects for Israel's new Prime Minister Ehud Barak.

The and the spectacular rise of the religious oriental party Shass. But on what majority will he lean and what policy will he take ahead?

He replaces right wing Prime Minister Benjamin Netanyahu, who took power in 1996 with a 1% majority, and proceeded to alienate the entire Israeli political class, push out Likud's more respected leaders, provoke the animosity of all his ministers, and infuriate media and intellectuals. Time and time again, he showed himself to be out of step with all the security apparatus, including the army.

Polarisation.

But until this last election, "Bibi" Netanyahu never lost the massive support of his popular electoral basis. The ideological right wing (essentially religious); and the Jewish religious groups stayed loyal. These groups influence the immense majority of "oriental" working class Jews (those who trace their origins to Arab countries).

Barak's 12% majority is the result of a massive transfer of votes among non-religious middle class Jews of European origin. Particularly among Russian immigrants (who make up 20% of the Jewish population). Russian Israelis massively supported Netanyahu in 1996. Three years later, only half of them identify with the populist and religious camp.

Most leaders of the centre party have also deserted Netanyahu. They are scared by his anti-institutional populism and his concessions to religious leaders over personal and civic legislation.

In other words, Barak's camp is a large regroupment of those afraid of "fundamentalisation" and "orientalisation". "Anything but Shass" [the religious party] was the most popular slogans during the massive victory rallies in Tel Aviv's central square.

For those tens of thousands of young people from the better residential neighbourhoods of Tel Aviv and from the kibbutz (middle class cooperatives), the Shass party, and its oriental religious and popular electorate, is the main

enemy. Oskar Lafontaine

In contrast, they don't have any objection to their candidate heading a coalition including the National Religious Party, the far-right organisation of Israeli colonists in Gaza and the West Bank.

This shows the size of the fracture in Israeli society, as well as the limits of Barak's progressive credentials. To put it simply, the Labour leader prefer blond Fascists with blue eyes to working class people whose culture is "too oriental".

The Shass phenomenon

Shass is not only a political phenomenon. It reflects the hope of about one million Israelis. The big surprise of these elections was Shass' growth from 10 to 17 elected members, becoming the third largest party in parliament. (Likud has only 19 seats.)

This unprecedented success reflects a new phase of the process of self-determination of the "Oriental" (ie Arab culture) majority of Jews. In previous years these Jews expressed themselves through Likud, which was for a long time the party of the excluded in Israel (except the Arabs, of course. They don't count).

But now Arab-Jews from the popular strata are expressing themselves through their own party, with leaders from their own community and culture.

The success of Shass is tied to the spectacular fall of Likud. Over the last seven years, the party has lost more than half of its deputies.

Ehud Barak understands better than his electorate and some of his allies (in particular Meretz) that the only way to reverse the completely polarised atmosphere and eliminate the fractures of Israeli society is to incorporate Shass into the political establishment. This is why he wants Shass in his government, despite the racist arrogance of his 'European' voters.

In return, Shass wants to be part of government because its strength partly depends on its management of social institutions and schools.

One of the reasons for Barak's election was to put an end to the situation in which the former primer minister and the mob around him threatened the state of legality and the independence of Justice. But Barak cannot reinforce the rule of

law and the legitimacy of the institutions of a "democratic Jewish state" and bring populist-clientelist groups like Shass into his coalition.

Strength

Although the Labour block has won a spectacular victory over the right wing bloc, both the major parties continued to lose votes. Likud dropped from 32 to 19 deputies, Labour from 34 to 27. Three additional Labour deputies, controlled by the trade union federation, have abandoned the party in order to better defend workers' rights.

There was a slight strengthening of all the ethnic parties. Shass was the most spectacular example, but the three Arab parties also grew (from 9 to 10 deputies). The two Russian parties grew from 8 to 11 deputies.

The extreme right lost badly. In the old parliament they had 16 deputies (National Religious Party 9, Moledet 2, extreme right ex-Likud 5). In the new parliament they have only eight (five from the NRP, and three from the Nationalist Union, led by Likud dissident Beni Begin).

The election confirmed the regrouping of the religious block around less intransigent positions concerning the occupied territories. The "hard-liners" fell from 14 to 10, while the "moderates" (Shass) jumped from 10 to 17.

These results translate into an extremely fragmented parliament. They also suggest that Barak has comfortable room for manoeuvre. He may allow a right-wing majority, or a secular a majority without the religious parties; or a centre-left majority. In fact, he can cut and shuffle all these blocks however he likes. Because, except for Beni Begin's three far-right deputies, and Azmi Bichara's National Democratic regrouping, all of Israel's parties are willing to take their place in government, and pay the price in terms of principles.

Barak has the chance to take a radical turn away from the policies of Netanyahu and even Yitzhak Rabin. But the large number of generals around him, and in parliament, suggests that it will be hard for Barak to achieve an acceptable political solution for the Palestinians. As he said during the election campaign, "Peace at home before peace with the Arabs!" ★

This article first appeared in the French weekly *Rouge*



The Return of Keynes?

There are more and more calls to regulate the financial markets and control the risks of a financial crisis. **Nicolas Benies** asks if economic liberalism is finally losing ground among mainstream economists.

George Soros, who made his fortune speculating in currencies and the international financial markets, raised the first alarm. "It is necessary to regulate the markets," he said, "or democracy itself will be threatened."

Most mainstream economic research is still centred on liberal style policies, though the search is on for a new version. Privatisation, deregulation, downsizing state expenditures, and the reduction of public deficits remain unassailable dogmas, even if the *Wall Street Journal* approves—at least for the ex-colonies—exchange controls like those that allowed Malaysia to limit capital movements, without preventing them entirely.

These meant that Malaysia was less at risk of the hazards provoked by the massive flight of speculative capital. That

country's reimposition of capital controls have provoked debate in many developing countries on ways of combating the erratic movements that deepen crises, especially the debt crisis.

Self-Criticism on the pace of deregulation

The American administration has drawn up its own balance sheet of the impact of deregulation on the financial markets. Without questioning the IMF as an institution, the Americans believe that the IMF pushed its policies too fast, especially on the 'developing' countries. The depth of the economic and financial crisis now buffeting Brazil, Argentina, and Mexico fits well with this auto-critique.

The United States, the big American banks, and even the big industrial groups are directly threatened by this financial crisis knocking at the door. The debt crisis could have direct repercussions on the markets of American corporations—the backlash could cause a collapse of stock prices on Wall Street. This situation is causing some nervousness, and helps to explain the actions of the American government in doing all that it can to help Brazil through its crisis, and thereby

avoid the contagion.

After having, like the IMF, advised the new government of Cardoso to defend the Brazilian real at the cost of a sharp rise in interest rates of more than 40%, floating the currency was accepted. It looks like as if policies are decided much more by markets than by governments or the IMF.

Brazil's central bank, which has had three presidents in the last three months, has not been able to lower interest rates from their very high level. These rates are worsening the financial crisis, by acting to restrict credit to households and businesses while at the same time bleeding the state, which faces massive increases in the servicing of the debt. Increases in unemployment, poverty, and impoverishment are bound to follow, as is an increased activity in the already overcrowded informal sector.

The depreciation of the currency by more than 40% enabled Brazilian goods to gain market share, to the detriment of China, which is chasing more or less the same markets.

As a result, there is more and more speculation about the devaluation of the Chinese Yuan, to improve competitiveness. All the governments of the developed countries, as well as the international institutions, asked China not to devalue in order to avoid the contagion of the financial crisis. For a moment, they forgot all their declarations on human rights and the antidemocratic, "socialist" regime. The ideological war stops at the borders of the capitalists' interests.

New policies

The IMF has gone in search of a third generation of liberal policies, to deal with the current crisis while preserving the policy of structural adjustment.

At the height of the crisis, in the course of the last quarter of 1998, after the open crisis in the Russian federation, the G7+1 (the world's richest countries, plus Russia) tackled the question of new regulations to avoid this type of crisis. The world's leaders, however, never got beyond good intentions. The crisis eased, temporarily perhaps, but the horizon had narrowed. The liberal capitalist world never thinks beyond the short term.

Alan Greenspan, the president of the American Federal Reserve Board—which played a critical role in combating the spectre of world deflation by lowering short-term interest rates three times in rapid succession—declared that this crisis was the most serious since the end of the Second World War. Nevertheless, the leaders did nothing, acting as if the crisis would resolve itself.

It is clearly necessary to regulate the financial markets—to define, for example, 'target zones' which would limit the fluctuations of the principal currencies (the dollar, the euro, the yen) and avoid short-term speculation. The central banks, especially the European

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Central Bank, opposed this idea, attempting to maintain their independence, to defend the interests of the financial sector, and to resist any restriction on the movement of capital.

ECB president Wim Duisenberg refused to lower short-term interest rates of the eleven European countries that constitute 'Euroland,' under the pretext that price stability remained the primary, if not the only, objective. In the context of deflation (a generalised fall of prices due to overproduction) and recession this priority is ideological, rather than based in any objective reality.

The Left: What is to be done?

The Social Democrats, governing 13 of the 15 countries in the European Union, are in search of an economic policy that exemplifies "the third way," so dear to Tony Blair, or the "new centre," so dear to Gerhard Schröder.

The German economy is being completely restructured. Deregulation is hitting the banking sector, which puts into question the traditional ties between finance and industry. A whole economic and social model is being restructured. 'Rhine Capitalism,' often favourably compared by German politicians to savage 'Anglo-Saxon' capitalism, is on its last legs.

Social models of consensus, of sharing the fruits of growth, are about to disappear from sight. The Japanese social model of lifetime employment is also under attack. The restructuring of Sony Corporation, with the closure of 15 plants and the layoff of 17,000 employees, sounds the knell. The chairman of Sony, Iedei, has declared the abandonment of the social model and the adoption of an Anglo-Saxon management model—the 'neo-liberal corporation,' to borrow the title of a recent book by Thomas Coutrot.

Tony Blair's 'Third Way' is another way of imposing this management program, which has neither plan nor future. Under the pretext of 'modernity,' a term that the English Prime Minister is very fond of, economic liberalism is being imposed. The Financial Times reported on a visit by Blair to the West of England, where he asked business leaders if the European Union shouldn't

be interested in dismantling any social policies which undermine employment, in order to reduce unemployment levels on the continent.

The debate seemed a bit more sensible as carried out by the German government in the months following their election. Oskar Lafontaine acted as the great defender of Keynesian inspired policies to stimulate the economy and confront the economic downturn predicted for Europe. The German economy, more heavily industrialised than, for example, the French, is more sensitive to the state of international markets. The last quarter of 1998 showed only very feeble growth, which is expected to continue this year. The international economy is marked by a recession that is affecting more than 40% of the population of the world.

What was Lafontaine, along with Strauss-Kahn (the French Finance Minister) demanding? A break with the conditions imposed by the Maastricht treaty, which are reaffirmed in the Growth and Stability Pact annexed to the Amsterdam Treaty? Of course not. The two ministers have sworn respect for the treaties. Even more, the French minister has gone so far as to proclaim that the public deficit will go from 3% in 1998 (in fact, 2.9%, thanks to a 3.2% growth rate) to 2% in 1999, 1% in the year 2000, and then to 0%. Liberal dogma on keeping the public finances balanced has obviously not disappeared.

Thus, the European Central Bank has imposed economic choices going in the direction of the continuation and the deepening of austerity policies, respecting the criteria of the Maastricht Treaty which results in a restrictive budgetary policy as well as the maintenance of a monetary policy centred on the defence of price stability and the currency.

The Return of the 19th Century

The world's leaders are returning to the precepts of non-intervention that theoretically directed state economic



policy in the 19th century, until the crisis of 1929. Jean-Baptiste Say, in an often-quoted phrase, summarised these doctrines: "products are always exchanged against products". He rejected any State intervention, any possibility of crisis, and any role for currency becoming a simple veil for exchanges.

For Say, there was no need for Political Economy. The State intervened from the beginning of capitalism: to direct it, to determine an overall strategy for all fractions of the capitalist class. Each capitalist is opposed to the other, and the "many capitals" could never determine a joint project.

One needed an ideal "collective capitalist", writes Engels in *Anti-Duhring*. The State is one of the essential categories of this mode of production. The passage to capitalism of the so-called 'emerging' countries—South Korea and Eastern Europe—shows it. The current crisis of the Russian Federation is really a crisis of the State and marks the failure of the liberal dogma and its blind confidence in the mechanisms of the market. The market simply could not exist without the State.

Historic Comeback

The 1929 crash was a profound crisis, raising the possibility of the end of capitalism, as foreseen by some. Even a minstrel of capitalism such as Schumpeter wrote, in 1942, in the preface to his *Capitalism, Socialism, and Democracy* that capitalism would not survive this crisis, that the world was turning to socialism.

If he had read Marx a bit more closely, he would have analysed the importance of the subjective factor in the passage from one mode of production to another. Without this subjective factor—the organisation and self-consciousness of the working class—barbarism dominates. And our century has been barbarous.

The 'great crash' of 1929 led to another kind of state intervention. It fell to John Maynard Keynes to develop a new theory, sometimes directly inspired by Marx whom he had read carefully, and to give his name to a 'Keynesian' political economy, legitimising a new role for the state.

John Kenneth Galbraith, a young economist who, just out of university, became part of Roosevelt's team in 1934, tells of his first encounter with the writings of Keynes in his *Voyage in Economic Time*. It was a revelation. Keynes was working on discrediting liberal dogmas, and arguing that another policy was possible which could stimulate the economy and combat overproduction, thereby re-legitimising the capitalist system of exploitation.

Keynes realised that it was much better to integrate the working class into the system in order to preserve what was essential, the exploitation of the workers.

Roosevelt put in place his "New Deal" policies to stimulate the economy and to use the state for infrastructure projects that individual capitalists could not undertake in the absence of a rapid return on investment.

The state began a conquest of all spheres of life: economic, social, and cultural. It became known as the 'Welfare' State. The capitalist state has also been called an octopus, since it is no longer possible to do anything without running into the state power. General De Gaulle's 'bonapartist' political regime in France, from 1958 to 1969, was perhaps the best example.

Social conquests became enshrined in law, by a state which gained a new legitimacy in so doing. At its height, the regime could restructure the entire French economy and break out of the bottleneck of a purely national market. This state intervention greatly aided economic growth.

It is useless to wonder whether the intervention of the State enabled the economic expansion or if it was the growth which financed this intervention of the State. Often the two phenomena nourished one another, catalysing this growth without crisis which marked "the 30 glorious years" for the countries of Western Europe and Japan.

The second world war, with its massive destruction, was the starting point of the post-war expansion. The rebuilding of the devastated economies resulted in an enormous revival. The State took charge of those sectors that were vital for the resumption of the growth: energy, transportation, banking, and the insurance sector. This infrastructure was necessary so that the many capitals, the capitalists, could start to create wealth again and to expropriate the profit, the surplus value.

Social policy, such as the nationalisation of Renault, is explained by the climate of the Liberation. 'Socialisation' say the history books, but 'revolutionary' would be more appropriate. Those on bottom were no longer willing to be governed by those on top, and those on top, discredited collaborationists, were unable to enforce their rule. Thus, new elites had to be found.

General de Gaulle even appointed Maurice Thorez, the secretary-general of Communist Party, the largest party in France in 1946, as vice-president of the Council of State, in order to restore legitimacy to the capitalist State in search of an elite, of a political regime to prop it up.

The disassociation of theory from practice was as central to Keynes as to liberalism. Keynesianism is by no means a body of doctrines. Initially because Keynes was a great pragmatist and empiricist who could adapt to all situations. But also because the *General Theory of Employment, Interest and Money*, his best-known work (published

in 1936), is poorly written.

And, finally, because the concrete policies which led to "Welfare" State were developed in reaction to class struggle, and are best explained by these class struggles and the strength of the counter-powers as embodied in the trade unions and the political parties of the labour movement.

The Return to Keynes

Pascal Combemale in his *Introduction to Keynes* points out the major principles recommended by Keynes: prioritising measures against deflation, which is seen as a greater danger than inflation (in opposition to 'classical' economists, who believed in relying on market forces to counter deflation); against false notions of book-balancing austerity in conditions of high unemployment, he argued that local communities had to spend more and that wages had to be raised in order to avoid a downward spiral of unemployment and loss of jobs.

He thus raised the importance of social measures to the same level as purely 'economic' measures.

He also wrote of the need to lower interest rates, in order to enable debt financing and "the euthanasia of the rentier class" (as he wrote with some irony). All of these policies require a stable environment and imply the need to reform the institutional framework of the international economy.

Unfortunately, these proposals were not accepted at the Bretton Woods conference which fixed the rules of the international economy in the post-war period.

For the rest, Keynes was a master of ambiguity. He was at the same time for and against inflation, for and against state intervention. In one of his last articles in 1946, he recalled the virtues of competition and warned against state intervention.

Kalecki, following up, explained why the "business class" may not find it beneficial in the long term to maintain full employment, because it gives too much power to workers. Keynes did not accept the idea that the history of humanity is the history of class struggle...

In 1944, Karl Polanyi wrote that "Retrospectively, one of the credits of our epoch is to have attended the funeral of market self-regulation". Who would say such a thing today? These policies of liberal inspiration have a rational core that Keynes refused to analyse: the assault on workers in order to reduce the cost of labour and thus to allow an increase in competitiveness and profit by intensifying work.

Social issues have completely disappeared from sight, giving way to a reasoning which makes micro-economics (the laws of operation of the firm) the last word on the understanding of the economy. It is the reification of the company, leaving aside the social and human costs.

Only the constraints of business count. Doesn't anyone realise that this is not economics, but accounting? The relevance of Keynes is his insistence on the social, on the dynamics and circular flows of the economy, to explain the concrete operation of the economy. The neoclassical liberals claim that the policies of fiscal stimulation no longer work, because since 1974 they have failed to recognise and understand the beginning of the crisis.

These policies cannot resolve the crises of a new economic period, but they can usefully be integrated into an overall vision of social construction. Growth for the sake of growth has had its day. It must now have a social and ecological content. It is necessary to restore confidence in the workers and to allow the revival of class struggle.

For Europe, it is essential to restore legitimacy to European construction. It is obvious that no government is interested in such a policy. The current priority is to undermine all social rights, rights to a job or to Social security in order to put constant downward pressure on direct and indirect wages and thus to increase profits.

The spread of mass unemployment and poverty in the principal capitalist powers has resulted in deep feelings of insecurity, individually experienced, which largely explains the acceptance by workers of the degradation of wages, employment, and working conditions.

In France, it is possible to both have a job and to be poor, due to the ceaseless increase in the precariousness of employment, particularly part time work. Women are the first victims. It is time that the labour movement understands that the defence of women's rights fits directly in the social struggle for the construction of a social alternative.

Keynesianism is of much less topicality than one of the key questions—the birth of a new form of State, successor to the Welfare State, together with a new mode of accumulation to take the place of "Fordism".

In spite of the declarations of the social democrat leaders, social reforms remain in the closet, such as the reforms of the rules of the international economy. Liberalism is seeking desperately to provide answers within the framework of liberalism.

For now, no government calls into question the total freedom of movement of capital, and the obvious need for some form of control in order to avoid a depression.

Deflation threatens. The prices of all raw materials are heading downwards. The small rise in the rate of the inflation, about 0.3% in France, indicates the depth of this deflation.

Isn't it time to think of these issues, rather than to pretend to believe that growth is on the threshold, as president Hoover kept repeating in 1929? ★



Guest comment

The fall of Eastern Europe

In the mid-1970s, the "socialist" countries seemed to be catching up with the West in economic terms. In the 1990s, Eastern Europe has been a crisis region. Some national economies are emerging from depression but most are financial basket case. The region is lying, bleeding, on the deserted economic battle fields of the cold war.

László Andor

The mid-1970s were a turning point in the economic history of Eastern Europe. By rapid industrialization the Soviet Union and east European countries had managed to close the development gap between the advanced capitalist countries and themselves. Their economic mechanism, however, was only tuned to deliver quantity. High quality products were largely limited to the Soviet military and space industries.

Following the oil price shocks of the 1970s, the "socialist" countries found it hard to cope with their deteriorating terms of trade and continue their remarkable industrial build-up without cutting the living standards of the working people.

They started to borrow heavily on the international financial markets—like Latin-America, and with very similar consequences.

In addition to the general difficulties of peripheral countries, they also had to face economic sanctions of the Western powers under the Carter and Reagan presidencies.

Domestic ills and the accelerated arms race exhausted the Soviet economy, which also became unable to support the other "socialist" countries. Some, particularly the indebted ones like Poland, Hungary, Romania, Yugoslavia and the GDR, began to intensify economic relations with the West. The IMF gained leverage over the economic policies of some. This was a source of repeated austerity measures, and also helped to adjust the ideologies of the so-called communist parties to neo-liberalism. The centralized political systems, and the intense Western pressure, ruled out any alternative, more democratic economic reform experiments.

The decline in economic performance and the agreement of the Soviet Union with the USA to abolish the so-called "external empire" in East Central Europe resulted in a political crisis at the end of the 1980s.

The collapse of state socialism in 1989 was partly a consequence of the decade long stagnation, but it

was also a cause of the complete economic break-down that followed. Mainstream economists and policy advisors for the newly elected governments attempted to dress this process as a scientifically designed "transition", but virtually no actual statistics corresponded to the projections suggested by the architects of the transformation.

Transition ideologues talked about a "return to normalcy" and about "catching-up with Europe". But in reality the relative decline of the region accelerated after 1989. Gross domestic product dropped by 20 per cent even in the most successful east European countries. Ten years after the transition began, Poland is the only country that has regained and exceeded her 1989 GDP level. (The Poles produced 20 per cent more in 1999 than ten years earlier, while Slovenia, Slovakia and Hungary came close to their 1989 production levels.)

Part of this decline was unavoidable. But subjective factors have played a great role as well. For example, the governments of Romania and Hungary were completely helpless in fighting the consequences of the disintegration of the Eastern trading block, the Council for Mutual Economic Assistance. Of course, the dismantling of the CMEA was itself a policy of neo-liberal experts within (and outside) the former "socialist" countries.

Also, nobody forced upon the Hungarian government the suicidal agricultural policy that disrupted the collective farm system and thus eliminated a third of the agricultural production of the country just when the country's traditional trading partners collapsed.

After 1989, privatization was supposed to be the magic policy to help revive the ailing post-socialist economies. Most of the advantages of the new private sector, however, derived from lay-offs and tax breaks for new entrepreneurs and multinational investors. Few people have realised the devastating social and environmental consequences of this period.

The failure of the market reforms and the capitalist restoration in Eastern Europe should provide a basis for a change of paradigm in economic theory. In reality, however, there are just very few signs of such a change. The state of economic thought lags behind the evolution of the real world economies by about twenty years. ★

The author is an associate professor at Budapest University of Economic Sciences. This article first appeared in the US magazine Dollars and Sense

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Booknotes

National questions

Michael Löwy, *Fatherland or Mother Earth? Essays on the National Question*, (Pluto Press/International Institute for Research and Education), 1998, 108 pp. \$17.95, paper

Reviewed by Joe Auciello

In the world today national conflicts are hardly confined to the Balkans, Russia, Canada, the Spanish state, the United Kingdom, India, and the African continent are all experiencing some degree of nationalist and separatist pressures.

In Western Europe right-wing parties thrive by nationalist appeals against foreigners, immigrants, or poorer regions of their own nation. Despite recent setbacks, the Kurdish fight for a homeland continues, as does the struggle in Palestine. National antagonisms and even wars loom in the world's future.

To make sense of these tumultuous events, as national conflict increasingly dominates the world stage, and to develop a liberating internationalist political strategy, a theoretical guide is needed. Michael Löwy's book, *Fatherland or Mother Earth?*, is a timely and necessary work.

Löwy's brief book, a collection of seven essays written between 1974 and 1993, is, at once, an exposition, criticism, and application of Marxist theories of nationalism.

Löwy's work combines the critical spirit of the young Marx ("We do not

face the world in doctrinaire fashion with a new principle, declaring, 'Here is truth, kneel here!' We develop new principles for the world out of the principles of the world.") with the critical acumen of the mature Marx, a thinker unafraid to test theory against the actual course of history.

Löwy shows that Marx left no ready-made doctrine to appropriate and use. He aptly notes, Marx and Engels formulated an *idea*, more than an accomplished *theory*, of the national question. Of course, even a fully elaborated theory would not constitute the last word. Marxism, as a scientific body of ideas, continually needs to be measured against historical experience and developed anew.

A later generation of Marxists—notably Rosa Luxemburg, Joseph Stalin, Otto Bauer, V.I. Lenin—defined and applied Marx and Engels ideas, in part through debates with each other. Their theoretical work remains, as does Marxist theory in general, unfinished.

Löwy, an advocate and critic of the Leninist school, also defines what is most vital in the Marxist tradition in order to apply theory to contemporary world conflicts. *Fatherland or Mother Earth* is both a work of outstanding scholarship and political analysis that outlines the essential points of a contemporary Marxist program.

The Marxist legacy, going back to Marx and Engels themselves, is contradictory and ill-defined. The founders of scientific socialism published no major work on nationalism. From the *Communist Manifesto*, it seems they believed that developing capitalism would erase national distinctions, that the uniformity of proletarian existence would replace the particularities of national cultures. If

capitalism meant progress, then the national movements which formed nation states, a framework most congenial for capitalism to develop, would be the most historically justified or legitimate ones. Thus, an evolutionist, economic determinist strain resides in Marxism.

Alongside it, though, are significant examples of political analysis—Marx and Engels writings on Poland and Ireland, for instance—which form a more sophisticated and useful basis to understand the national question, imperialism, and socialist revolution.

Writing in 1870, Marx saw that England's oppression of Ireland also served to misdirect and hold down the English working class. The economic and ideological oppression of the Irish and English proletariat combined to the detriment of both. "The ordinary English worker hates the Irish worker as a competitor who lowers his standard of life. In relation to the Irish worker he feels himself a member of the *ruling* nation and so turns himself into a tool of the aristocrats and capitalists *against Ireland*, thus strengthening their domination *over himself*... This antagonism is *the secret of the impotence of the English working class*, despite its organisation. It is the secret by which the capitalist class maintains its power. And that class is fully aware of it."

From an examination of these writings, Löwy concludes: "Marx thus formulated two concepts which would become the basis of Lenin's theory of self-determination: 1. the nation that oppresses another cannot be free... and 2. the liberation of the oppressed nation is a premiss for the socialist revolution in the dominant nation itself."

Decades later, in *The Right of Nations to Self-Determination*, (1914)

Lenin made a clear distinction between the nationalism of the oppressing nations and the nationalism of the oppressed nations. Self-determination of the oppressed nations was a basic democratic demand and should be supported as part of an anti-imperialist struggle. Lenin argued that unless workers in the imperialist nations supported the national struggle of oppressed people, there can be no internationalism. These ideas were later codified as statutes of the Communist International.

Löwy's overall purpose, on a programmatic level, is to clarify and sharpen Bolshevik doctrines on the national question by a thorough but fraternal criticism.

As Löwy explains in his introduction, Marx and Engels's incomplete theory of nationalities could be developed in a dogmatic, Eurocentric and evolutionist way (as Stalin did) or in an emancipatory and dialectical way (as Lenin, Bauer and others did). Löwy aligns himself, obviously enough, within the latter tradition of Marxism.

Löwy is especially effective in explaining the weaknesses of Joseph Stalin's 1913 work on nationalism, *Marxism and the National Question*. Since Stalin's pamphlet was written in Lenin's lifetime, a full decade before the degeneration of the Bolshevik Party, it had (and has) enjoyed considerable authority among Marxists. Both friend and foe of Stalin have declared this essay to be completely consistent with Lenin's views. And *The ABC of Communism* (1919) explains the concept of a nation in terms close to Stalin: "A nation or a people is the name given to a group of persons who are united by the use of a common tongue and who inhabit a definite area. There are additional characteristics of nationality, but these two are the most important and the most fundamental." Löwy, too, concedes that the main ideas in Stalin's work were those of the Bolshevik Party and Lenin.

However, through a careful textual comparison, Löwy shows how Stalin's work implicitly and explicitly differs from, and even contradicts, Lenin's writings. The most significant of these differences is in Stalin's attempt to define a nation solely in objective terms (language and territory.) Thanks to Stalin, Löwy says, this dogma wrought havoc in four continents, transforming theory into a true Procrustean bed, imposed by decree of the Political Bureau...

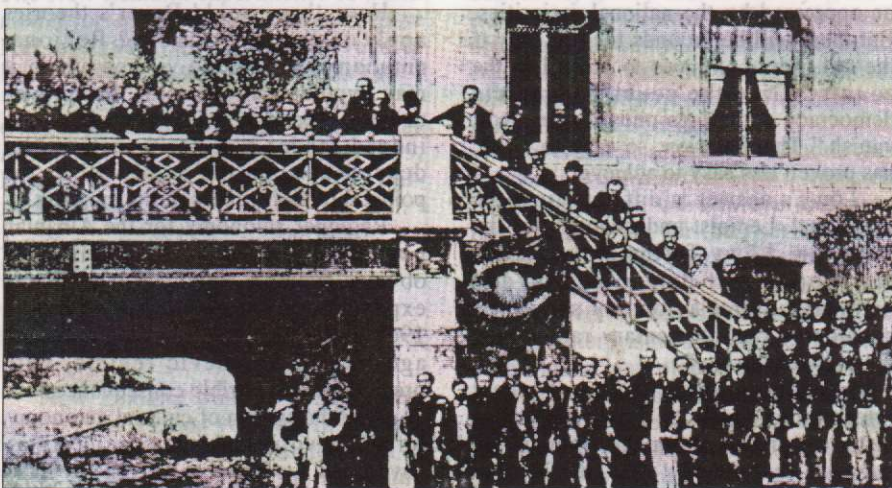
Stalin's theory defined a nation rigidly in terms of quantifiable, objective criteria. But Lenin and Trotsky, despite their praise for Stalin, had additionally emphasized the subjective element in determining a nation, an emphasis confirmed historically and also affirmed by more contemporary Marxist scholars. That is, a people becomes a nationalist movement or a nation not only when, or

if, it shares common territory and language, but when it demands its right to be recognized as a nation. The consciousness of the masses is a decisive element for Marxists in defining and politically supporting the nationalism of the oppressed.

Even a brief look at the causes which have led to war in Kosovo shows—by negative example—the importance of the analysis that Lenin developed from Marx's writings on Poland and Ireland.

In the former Yugoslavia proletarian internationalism means recognizing the right of the Kosovars to form an independent nation. The more force that was applied against Kosovo by the Yugoslav state, the less that national rights were allowed, the stronger grew the demand for secession.

Lenin recognized that unless the right of self-determination were granted, voluntary union, or federation, would not be possible in practice. Kosovo bears witness to the accuracy of Lenin's argument. No stable solution will be achieved in Kosovo until its people are able to exercise the right to determine their own future.



The objective criteria for the war in Kosovo has long been present. The Kosovars, united by common language and religion, are the majority in a common area. In 1961 they were already 67% of the population of the region, and the percentage had increased to 90% in this decade. A separate state would be roughly equal in size to Macedonia.

These facts would not, by themselves, require the Kosovars to demand their own state. It was the political and economic repression of the Tito and Milosovic governments that fueled Albanian national consciousness.

Failure to recognize this principle of self-determination has misled some socialists in the United States to oppose NATO's war in Yugoslavia by supporting Serb domination of Kosovo. An effective, principled antiwar movement in the imperialist countries cannot be built on those terms.

A thorough understanding of Marx and Engels ideas on nationalism, developed by Lenin, distinguishing between the nationalism of the oppressor and the nationalism of the oppressed, is essential for understanding the crisis in Yugoslavia and building solidarity for the just struggle of the Kosovar people.

Löwy is very clear on this point. We cannot consider ourselves Marxists if we do not support the right of self-determination of New Caledonia's Kanaks, of Palestinians in Israel, of Kosovo's Albanians in Yugoslavia, of Kurds in Iran, Iraq, Syria and Turkey; and last but not least, if we do not struggle in the US against US military intervention in other countries.

On one significant topic—the assessment of Otto Bauer's perspective of cultural autonomy within a nation for minority groups—Löwy departs from Lenin's theories of nationalism which were sharply critical of Bauer. (Bauer's major work is, unfortunately, not translated into English).

The Bolsheviks, as is well known, recognized the demand for self-determination (or regional autonomy) in

opposition to national-cultural autonomy.

One of the best known statements of the Bolshevik position is Stalin's 1913 pamphlet, *Marxism and the National Question*, which faults Bauer for an impractical idealism. Lenin sarcastically dismissed Bauer's theory as "his pet little point."

Löwy, instead, frankly acknowledges his difference with Lenin and Stalin and devotes a short chapter of *Fatherland or Mother Earth?* to a positive reassessment of Bauer's work. The qualities of Löwy's thinking, his way of approaching historical/political and literary/textual problems, can best be seen by a close look at his fresh treatment of this conflict, long since considered closed by most Marxists.

Bauer developed his theory of national-cultural autonomy in relation to the pre-World War I Austro-Hungarian Empire. For him, such autonomy meant

giving each nationality within a multi-national state a certain degree of cultural, administrative and legal authority.

Although the Austro-Hungarian state separated into several smaller states after 1918, Löwy finds a contemporary relevance and methodological importance for Bauer's theory. Here Löwy's questioning is based, not on a reverential attitude to "sacred" texts, but on a sober understanding of the real geographical and political difficulties posed by burgeoning nationalist movements. He asks, "while the democratic right to self-determination is indispensable, how can it be applied to territories where nations are thoroughly intermixed without setting off battles, massacres and 'ethnic cleansing'?" The problem is most obviously posed by the history of the past decade in Yugoslavia.

Stalin in 1913 argued that "The only correct solution is regional autonomy... [It] is an essential element in the solution of the national problem." Stalin's solution necessarily raised another question. Would the majority respect regional autonomy for the minority? Stalin answered as follows: "It may be feared, therefore, that the minorities will be oppressed by the national majorities. But there will be grounds for fear only if the old order continues to prevail in the country. Give the country complete democracy and all grounds for fear will vanish." That solution, so easy to write, has proven less easy to achieve.

Löwy's answer is different from the traditional, Leninist understanding of the question. Löwy forthrightly states, "territorial self-determination and national/cultural autonomy should be considered complementary rather than mutually exclusive."

In addition to the reality of recent inter-ethnic conflicts, Löwy also cites historical precedent for this opinion. He suggests that shortly after the October 1917 revolution the Bolshevik government implemented policies, inspired by Bauer, promoting cultural autonomy for the benefit of Jews and other national minorities.

On the other hand, it should also be pointed out that Trotsky, writing more than ten years after this period, in *The History of the Russian Revolution* (Vol. 3, p. 39), was thoroughly dismissive of Bauer's ideas. "As to the project of a so-called 'national-cultural autonomy,'" Trotsky writes, "this reactionary utopia, borrowed by various Jewish groups from the Austrian theoretician, Otto Bauer, melted in those first days of freedom like wax under the sun's rays."

But Löwy argues that a more balanced assessment of Otto Bauer is needed. The real importance of Bauer's work lies in his analytical method and profoundly humanist spirit which enables Marxists to correct the flaws Löwy criticizes in the young Engels and, especially, Stalin.



Bauer's assertion of a nation as a common fate, regardless of shared territory, strongly supports the revolutionary appreciation of Black nationalism in the United States, for instance. Trotsky, in discussion with C.L.R. James, insisted on the same principle, without referring directly to Bauer. This is a question that deserves to be more widely debated. Recognition of the revolutionary potential of Black nationalism is still a contested point within the U.S. left.

How, then, would Bauer's theories apply to the world today? Regional autonomy, for all the virtues which it may hypothetically possess, has proven to be a precarious solution which can indeed render a minority nationality dependent upon the good will or the political farsightedness of the majority.

Regional autonomy for the Albanian population of Kosovo, to cite one obvious example, (granted in 1963 and expanded by constitutional reform in 1968 and 1974) was revoked a decade ago by the Milosevic regime, with predictable and terrible consequences.

Would a system of cultural autonomy, for all the virtues which Löwy identifies, have fared any better or proven any more satisfactory in resolving inter-ethnic hostilities? Lenin's insight serves today as a warning: "An 'autonomous' nation does not enjoy rights equal to those of a 'sovereign' nation."

Löwy may be right to modify Lenin and Trotsky's conclusions about the sufficiency of the doctrine of self-determination. It is certainly necessary to compare their judgments against the reality of unfolding history. Without such renewal Marxism stagnates and loses its effectiveness as an instrument of revolutionary change. But more theoretical and historical evaluation of Bauer would be needed for Löwy's arguments to be fully convincing. The reassessment which Löwy has begun remains to be completed.

In *The ABC of Communism*, the popular explanation of Bolshevik Party program written by Bukharin and Preobrazhensky, the chapter on nationalism is titled "Communism and the Problem of Nationality". The world 'problem' is also

in the title of the chapter on nationalism in Trotsky's *The History of the Russian Revolution*. This reflects the difficulty Marxists have faced in accounting for the rise and stubborn persistence of nationalism and the added difficulty of integrating such an account into the theory of class struggle and revolutionary internationalism.

In other words, Marxists must explain why the workers of the world have been far more willing to unite against each other instead of joining in the international brotherhood of the working classes in the joint struggle against the ruling classes and their governments as Marx wrote in *Critique of the Gotha Programme*. The sad facts of history compel Marxists to find a clear and correct answer to this dilemma.

In the book's closing essays Löwy examines the causes for the resurgence of right-wing nationalism in world politics and assesses modern oppositional movements and revolts for the defining elements of twenty-first century internationalism. He surveys the role of nationalism in Eastern and Western Europe and the ex-Third World in order to explain the extraordinary diversity of the phenomena. His detailed analysis of each region, too complex for a brief summary, demonstrates the superiority of Marxism as a science for understanding conflicting and contradictory social struggles.

Löwy concludes with the assertion that a *new internationalist culture* is in the making. He cites, in addition to socialist traditions, the importance of ecology, feminist, anti-racist and solidarity movements, in addition to the human rights movements that are active in many countries.

Whether the new internationalist culture will unfold as a unified mass movement is too early to predict, but Löwy does point to a 1996 meeting, the Intercontinental Conference against Neoliberalism and for Humanity called by the Zapatista movement, as the most optimistic sign of a new internationalist alternative of the oppressed and exploited.



Some minor textual criticisms should be noted. A future edition should update the bibliography to cite works published in English. There are, at least, two significant omissions. Ephraim Nimni's book, *Marxism and Nationalism*, to which Löwy devotes a chapter-length critique, was published by Pluto Press in 1991. Roman Rosdolsky's important study, *Engels and the Nonhistoric Peoples: The National Question in the Revolution of 1848*, to which Löwy frequently refers, appeared in English in 1986 as a special issue of the socialist journal *Critique*. Also, Trotsky's 1915 article, "Nation and Economy" is excerpted in the Pathfinder Press book, *Lenin's Struggle for a Revolutionary International*. A second edition of *Fatherland or Mother Earth?* would benefit from a more complete bibliography, as well as a selection of Bauer's work as an appendix.

Whatever doubts or criticisms a reader may have about Löwy's conclusions, his book repays careful attention and study. No Marxist will be able to write well about nationalism without first absorbing Löwy's work. *Fatherland or Mother Earth?* is written in the spirit of genuine Marxism: critical, comprehensive, reflective, and partisan.

Löwy is thoroughly familiar with the classic Marxist texts on nationalism (he coedited such a collection in 1974), but his short book is not merely an explication of standard doctrine, however valuable that might be. Instead, Löwy considers Marxist theories of nationalism in light of historical developments in this century. Where the theory is inaccurate or inadequate, he does not hesitate to criticize it in order to obtain a better Marxism. In Löwy's hands Marxism advances towards what it was intended to be—a theory of understanding the world in order to change it. ★



The Neo-liberal laboratory

The New Zealand experiment—A world model for structural adjustment?, Jane Kelsey, 1998, Auckland University Press, ISBN 1 86940 179 4. NZ\$39.95

Only their purpose is mad—the money men take over NZ, Bruce Jesson, 1999, Dunmore Press, PO Box 5115, Palmerston North, NZ.

Australian supplier: Federation press, PO Box 45, Annandale 2038 NSW. ISBN 086469 343 5

Reviewed by Mark Johnson

New Zealand was the first country where women could vote, the first with a modern welfare state. But today it is better known as the first, and thankfully the only country to fully apply neo-liberal economic theory.

This radical exercise in structural adjustment was not implemented by a 'third world' government as a condition of securing credit from the "international financial community". It was unilaterally undertaken by a democratically elected labour government, within an advanced capitalist economy. Successive social democratic and conservative governments applied pure economic theory to a complex, real-life community, with cavalier disregard for the social or electoral consequences.

The basic characteristics of structural adjustment are well known. Privatisation, abolition of labour market regulation, foreign trade liberalisation, and a monetarist anti-inflation regime. New Zealand stands out for the speed and depth of these reforms, and the social polarisation which is the inevitable result.

In other countries, neo-liberal governments used a strong state

apparatus to enforce their policies. Only New Zealand took the rhetoric of "minimum state" seriously. From 1986, absolutely every state activity with a potentially commercial function was corporatised, and required to run as an equivalent to private sector business. Most were subsequently sold, often to Australian and US interests.

Government scientific research was divided into commercial Crown Research Institutes, which were forced to charge full-cost recovery for their services, and compete with the private sector for all new research funds. Public hospitals were converted to commercial Crown Health Enterprises. The former housing corporation was placed in charge of a declining state rental housing stock, and required to produce a return on its assets. Its role as first supplier to those with priority housing needs was abandoned. Local school boards were "freed" to determine their spending priorities, and to employ staff of whatever quality they thought appropriate. Tertiary education was redefined as an industry providing private benefits to fee-paying students.

Government departments were separated into operational and policy units. Operational functions were run along business lines and frequently contracted out to private enterprise. The core ministries were put in the hands of chief executives on fixed term performance related contracts. Policy work was contracted out to a flourishing industry of private consultants and management firms.

"An international model for economic reform" cried *The Economist*. New Zealand politicians and businessmen became permanent fixtures on the international lecture circuit.

These reforms provoked a severe recession and painful restructuring of most economic sectors. Between 1985

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and 1992, the New Zealand economy shrank by 1%, while the OECD economies grew by an average 20%.

The multifaceted attack on labour generated an annual productivity increase of 0.9%. Since wages fell in real terms, these savings were captured by the employers.

The economy began to pick up again in 1994. Inflation was about 1%, short term real interest rates around 5%, and GDP grew quickly (5% in 1994-5, and 3.5% in each of the next two years. Exports increased by 29% between 1994 and 1997. The workforce increased 3.9% in 1993-4, after years of record unemployment and net population loss (through emigration to Britain and Australia).

Government expenditure now made up about 34% of GDP, down from 39% in 1991. The government boasted budget surpluses, cut net public debt from 48% of GDP in 1990 to 42% in 1994.

In reality, these few years of growth only brought the macroeconomic indicators back to their 1984 level—before the neoliberal storm started.

Despite all the claims by government, sustained higher growth rates were not among the structural changes brought about.

Most people were worse off. Unemployment and poverty became structural features. The number of people in poverty rose 35% between 1989 and 1993. Even if unemployment fell to its 1985 level (a historically high level by New Zealand standards), poverty and hardship would not be significantly reduced.

In other words, a more unequal society, in which many of the benefits won by working people in the advanced capitalist countries over the last 100 years have been seriously weakened.

Both books reviewed here attempt a social democratic refutation of the policies followed since 1985. The economically-minded will prefer Kelsey's exhaustive documentation of the reforms. Others will appreciate Jesson's fluent, passionate overview, and his portraits of some of the characters concerned.

Colonial identity

Any kind of proletarian response has been hampered by Zealand's post-colonial identity crisis. Jesson, a leading advocate of republicanism for many years, argues that "colonial development created a 'hollow' society, with few intermediaries between the individual and society. Frontier "individualism" grew hand in hand with a strong state."

When the Labour government chose to attack its core supporters, protest largely evaporated. Unsure about their own identity, white New Zealanders were apparently unconcerned about the growing foreign ownership of the country. What anger there was, was displaced onto Asian immigrants.



Maori activists were among the first to understand the damage free trade would do to the New Zealand economy.

(Chinese and Koreans make up 7% of Auckland's population)

The country's Maori population did not have a problem identifying the danger behind the neoliberal project. "Maori had traditionally been defined, and had defined themselves, in opposition to the colonial state. They had periodically, but only ever partially, been



Transformation and regroupment

Regroupments of forces determined to learn the lessons of the historical abomination that was Stalinism and to continue, against the winds and the tides, to fight against capitalism are being realised in a number of countries.

In all the countries where such possibilities exist, the organisations of the Fourth International are ready to be part of the re-groupment process. We consider this as an important step towards the recomposition of the anti-capitalist left on a world scale.

At the international level, the Fourth International is an active participant in re-groupment, bringing with it the advantages of a long tradition of combat against capitalism and Stalinism. ★

Price: £5/\$10. International Viewpoint, PO Box 27410, London SW9 9WQ, Britain. <International.Viewpoint@compuserve.com>

incorporated into its hegemonic realm. While the impact of structural adjustment fell most heavily and disproportionately on them, many Maori viewed it as a variation on a long-standing theme. It was not surprising, then, that the most (some would say the only) sustained political resistance to the structural adjustment programme had come from them." (Kelsey, p.318)

"On two particular points, English capitalism proved incompatible with Maori society. The first was in the market in land. English capitalism required that land be a commodity to be bought and sold. This was something that many *Iwi* [tribes] rejected. They possessed their land in common, and didn't own it individually. Land for the Maori had an emotional and traditional meaning that inhibited its use as a commodity, whereas in a market economy, Land has to be alienable.

"The other point of conflict was over the idea of sovereignty. The market economy requires an apparatus of coercion—the state—to establish and protect property rights. It requires a police force, a standing army, courts and government departments, all of which were completely alien to people living in self-sufficient communities."

New Zealand's neoliberal reform zealots thought the market was the solution to every problem—including the 150-year old fissure between indigenous Maori and the *pakeha* (non-Maori) majority. Since 1985, government has invited tribes to cede their historic claims to land and fishing rights, in exchange for a one-time cash payment, and shares in new private corporations which would manage disputed natural resources. They thought this would remove the national question from the political agenda.

A handful of Maori businessmen seized this project, and negotiated themselves into positions of wealth and influence. But Most Maori groups rejected these proposals, fighting a rearguard struggle against the corporatisation and privatisation of their historic lands. They warned foreign investors that they were buying stolen property, and painted protest slogans on tourist landmarks.

Many *pakeha* (non-Maori) who lament the lack of resistance to the neoliberal onslaught ignore the constant, determined Maori resistance against benefit cuts, against forest and land privatisation, and against the corporatisation and privatisation of government. As Jesson argues, by identifying with the colonial state against the Maori, *pakeha* have been unable to articulate their own interest as New Zealanders.

Mind you, the New Zealand elite is even less nationalist than the workers. "Colonial though New Zealand might have been a generation ago, it had more autonomy than it does now. The closed economy did sustain a local oligarchy

(though it was British to the core).

"Now there is not even that. The country is dominated by an elite, based in finance rather than productive industries...yet it is no longer a local elite. These people justify their exorbitant salaries by comparing them with the salaries paid internationally. And they have a point. Their career path occurs in a global context—or an English-speaking context at any rate—and they generally work for overseas companies. Even local companies advertise their senior positions throughout the English-speaking world. These days, the New Zealand elite are merely the local managers of a branch economy... This country's business, political and bureaucratic leaders do not have a concept of themselves as New Zealanders.

"The psychological components of this dependence can be traced back to the time when New Zealanders thought of themselves as British. A panic developed in New Zealand in the early seventies, when Britain joined the European Economic Community. Ever since, New Zealand has been a colony in search of a coloniser.

"At various times, New Zealand governments have looked to Australia, the Pacific Rim and Asia for an answer to this country's economic dependence. So insecure are New Zealand's leaders about their country's identity that they are prepared to dissolve themselves into whatever market they may find. (Jesson: 194)

However much New Zealanders dislike their government's statements about "being part of Asia now," the global financial markets do seem to agree. MIT professor Paul Krugman explains the Asian financial crisis as the result of an over-dependence on foreign investment, which generated high growth, but exposed countries to the speculative propensities of global finance. Asian banks, he argued, were not properly regulated, and took huge risks with the expectation that the government would bale them out. This is certainly what happened when the Bank of New Zealand collapsed under the weight of ludicrous speculative loans in the late 1980s.

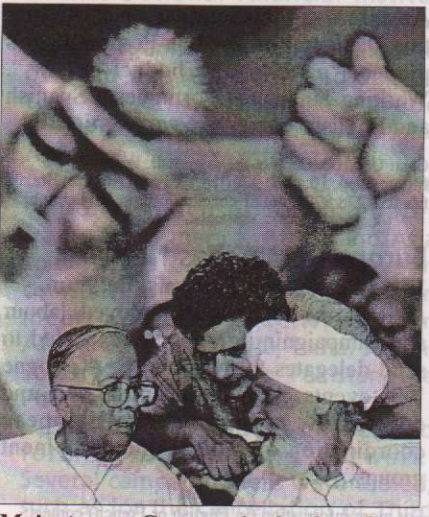
Political instability

As Labour and National parties broke the socio-economic consensus which had given New Zealand such a high living standard, voters deserted them. A radical left split from Labour joined Greens, Maori nationalists and disgruntled middle class groups in an exciting Alliance. On the right, populists like Winston Peters have galvanised many of the losers in the reform period. A small ultra-neoliberal group has also emerged—their latest idea is to replace the country's points-based immigration system with a public auction of residence permits.

Both authors conclude with a

discussion of the alternatives for New Zealand. Kelsey even attempts a checklist for progressives in countries where structural adjustment and neoliberalism are only now being introduced.

In September, New Zealand will host a meeting of APEC heads of state. Once again we will face a barrage of propaganda about the New Zealand model. Capitalists around the world have learned from the Kiwi experiment. We would do well to do the same. ★



Mainstream Communist leaders Jyoti Basu and Harkishan Singh

The Indian left and the bomb

N. Ram, *Riding The Nuclear Tiger*, Leftword Publications, New Delhi, 1999, paperback, Rs.60; pp.120.

Reviewed by Achin Vanaik

This book, though not carrying the official imprimatur of the CPM, to all effective purposes represents its perspective on the nuclear issue, one from which those of CPI and CPI-ML do not markedly differ.

As a long time critic not only of India's nuclear posture but also of this Left's understanding of the issue, I could either use up this limited review space to air my differences with the latter, or in general solidarity with its content, endorse its effort to convince the lay reader why the trajectory set by the 1998 Pokharan II nuclear tests must be reversed. My differences can be more comprehensively and systematically discussed elsewhere.

However, before examining the undeniable strengths of this book, I will register (but not elaborate upon) the fundamental theoretical-political plank of disagreement between this Left and others like myself who not only oppose India's recent overt nuclearisation but

also demanded earlier that it foreclose the nuclear option itself.

From this foundational disagreement arise a whole series of differences in regard to perceptions about the precise nature, limitations and possibilities of the Comprehensive Test Ban Treaty and other agreements; regional nuclear weapons free zones; the matter of the "Red Bomb"; the efficacy of deterrence, etc.

These differences arise out of very different understandings about what the existence of a discriminatory non-proliferation regime divided between nuclear haves and have-nots constitutes. Does this mean 'nuclear imperialism' also exists not merely as a matter of the intentions of certain nuclearly equipped states like the USA, but as a concrete and institutionalised reality? Or are nuclear weapons so fundamentally astrategic that no kind of flirtation with notions of positive forms of nuclear nationalism (or what this volume calls "nuclear sovereignty") is justified?

This book accurately delineates some of the basic causes and consequences of the May 1998 tests. There was no serious security rationale for what happened. It was not changing external threat perceptions that provoked the decision but the longstanding desire of the Sangh Combine [Hindu fundamentalist movement], in accordance with its militaristic Hindu nationalist ideology, to have such weapons as an expression of new-found Indian 'manhood'.

The book could, however, have focussed more attention on why and how over the last decade, changes in the general character of elite Indian nationalism greatly facilitated the Sangh's project of rupturing India's earlier posture of ambiguity.

The negative consequences are many. An expensive and wasteful arms race in South Asia has been inaugurated and the shadow of a nuclear exchange now covers future Indo-Pakistan conflicts when it need never have done so. Relations with China have been seriously damaged and the space for an Indian foreign policy independent of others, e.g. the USA has actually substantially lessened.

For pro-bomb advocates to insist that Indian security has been enhanced not only flies in the face of the obvious but shows ludicrous trust in the supposedly wondrous powers of deterrence.

A separate chapter is devoted to criticising the fallacies and inconsistencies of deterrence-based security thinking. Two other chapters are devoted to exposing the scientific pretensions and claims of those who carried out the tests, and to an overview of the country's decades-long pre-Pokharan II nuclear policy which expectedly is given quite uncritical endorsement and praise.

N. Ram has warmly acknowledged the contribution of T. Jayaraman who is

almost a co-author of the book and whose expertise is clearly discernable in the more technical parts of the book discussing post-Pokharan II claims, in particular highlighting the enormous difficulties India will have in establishing a credible "minimum deterrent" against any country other than Pakistan. The inference is that India in going nuclear has accomplished little more than nuclearising South Asia unnecessarily and that its search for extra-regional and global eminence via nuclearisation is a political chimera reinforced by its technological inadequacies.

In its final chapters, the author has warned against joining the CTBT, preferring to advocate instead national bans on further testing and conversion via Acts of Parliament—which, of course, will never happen.

This, along with a commitment by both India and Pakistan to dismantle any existing weapons and to abjure any induction and deployment of such weapons in the future, constitute the heart of the programmatic perspective which the author hopes can be the basis for mobilising a mass democratic campaign to reverse what has happened. This call for a general reversal and return to nuclear sanity can only be endorsed but there is one disturbing development the book has not taken account of, written as it was some time ago. A non-BJP Central government can only be a Congress-led one, but contrary to earlier hopes, the Congress party is now explicit that it will not reverse the dynamic let loose by the BJP. This makes the task of Indian opponents of Pokharan II all the more difficult as well as all the more urgent. ★

[This review appeared in "The Hindustan Times" of July 4, 1999]

Conferences Coming soon...

London Anarchist Bookfair
16 October, London, Britain
Contact: <m.peacock@unl.ac.uk>
Tel. 0171 247 9249.

Participative Democracy
10-13 November, Porto Alegre, Brazil
An International Seminar on Participative Democracy, based on Porto Alegre's pioneer "participatory budget process". Working languages Portuguese, Spanish and English. **Places are very limited!**

Cost: US\$100. Contact the town hall, Praça Montevideo, 10, CEP 90010-170, Porto Alegre, Brazil. fax 051 228 8725, email <becker@gp.prefpoa.com.br>

European Marches Network
13-14 November, Brussels, Belgium.
At least one hundred unemployed, labour and campaigning groups are expected to send delegates to evaluate the "Cologne '99" events, plan future initiatives, and decide how to improve pan-European coordination of radical unemployment groups.

For more information (in English or French) contact: Michel Rousseau, European Marches, 104, rue des Couronnes, 75020 Paris, France. Fax: +33 1 44 62 63 45. E-mail: marches97@ras.eu.org www.ras.eu.org/marches/ Email lists are available, in read only or in write-discussion mode.

World Trade Organisation ministerial conference
Seattle, USA, 29 Nov.-3 Dec.1999

An Inter-Continental Caravan, mainly composed by representatives of Latin American movements, will travel though the USA ending at the WTO III conference in Seattle. Details will be finalised at the Bangalore conference.

An email list has been set up to organise against the 3rd WTO Ministerial. To subscribe send a message to <PGA_Seattle99-subscribe@listbot.com>. For more information, contact <PGA_Seattle99-owner@listbot.com> or go to <http://members.aol.com/mwmorrill/pga.htm>

European Marches Network
December 1999 and afterwards...

At the initiative of the "European Parliament of the Unemployed", a European day of action against Workfare will be organised to coincide with the Helsinki European summit (dates not yet announced, but probably 6 December (St Nicolas celebrations in northern Europe!) or the 10, opening day of the EU summit.

The European Marches Network will also organise a European Meeting against Precarity, in Brussels, in the first half of 2000, and mass mobilisations in France in the second half of the year. These will include a new session of the "European Parliament of the Unemployed".

Marxism 2000
Sydney, Australia, 5-9 January 2000

Journalist John Pilger and Latin America specialist James Petras will be keynote speakers at the second Asia Pacific Solidarity and Education conference organised by Australia's **Democratic Socialist Party**.

Other speakers include Dipankar Bhattacharya (Communist Party of India Marxist Leninist), Chris Gaerlan (Alab-Katipunan, Philippines), Farooq Tariq (Labour Party of Pakistan) and Sonny Melencio (Socialist Party of Labour, Philippines).

Participants are expected from Japan, East Timor, Burma, PNG, Bougainville, Malaysia, New Zealand, Kanaky, Turkey, Sri Lanka, Scotland, Palestine, and Bangladesh. Australian speakers will come from the DSP, Resistance, Green Left Weekly, and ASIET.

Main themes of discussion include: Is Marx still relevant for the 21st Century? • The state of the world capitalist economy • Global political and military strategies of imperialism • Problems of revolutionary strategy in advanced capitalist countries • Problems of revolutionary strategy in developing countries • Will the socialist countries all yield to capitalist pressures? • Recent experiences in trade union and labour organising • Marxism and the national question • Women and socialism • What basis for international left collaboration and socialist renewal? • Can humanity survive the 21st century?

Additional workshops will focus on: The IMF and the World Bank — How they work • Imperialism's impact on the Asian and Pacific Economies • The contribution of Trotskyism to the workers movement • The history of the Philippines left • Issues in Women's liberation today • Internationals and internationalism

The DSP will use this conference to launch a range of collaboration projects with its international network: Joint Asian TU tours of Australia • Joint tour of women activists • Statement on unity and collaboration • Future joint educational efforts • book publication projects • **Links** magazine.

Registration costs A\$50, plus A\$22-50 per day for accommodation and meals. For more information contact P.O. Box 515, Broadway 2007, Australia. Tel: +61-2 9690 1230 <dsp@peg.apc.org>

Conferences...

A truly global network

Chow Wei Cheng

"The dictatorship of financial markets? Another world is possible!". That was the theme of the international conference held in Paris, June 24-26.

The conference was coordinated by ATTAC, a recently formed French organisation that calls for a tax on speculative financial transactions to raise revenue to fund social security, health, education and public works. ATTAC also campaigns against the privatisation of the pension funds in France.

It was established by various trade unions, non-government organisations, social movements, environment groups, left political parties and prominent individuals. In the year since its creation, ATTAC has grown to become a significant mass movement with around 11,000 members in France, organised in 120 local branches. It also has a group in the French parliament.

The conference was organised by ATTAC with the support of four other international networks: Co-ordination against MAI (Multilateral Agreement on Investment) Clones, the Forum Mondial des Alternatives (Forum of International Alternatives), Committee For the Cancellation of Third World Debt and DAWN, a network of feminists from Third World countries.

The conference was attended by some 1100 people from 70 countries. Less than half the participants were French, and there were few from western Europe and North America. The best-represented countries were Brazil, South Africa, Senegal, Morocco, Philippines and South Korea.

Delegates came from groups involved in struggles against Third World debt, International Monetary Fund (IMF) structural adjustment programs and neo-liberal economic policies.

The aims of the conference included exchange and analysis of opinions from campaigns by those confronted with the adverse consequences of economic and financial globalisation (such as economic insecurity, social inequality and the spread of poverty). Another aim was to help strengthen collaboration and solidarity between progressive forces around the world.

The conference aimed to develop

a common international campaign of resistance to neo-liberal attacks and the dominance of the finance markets. The key international campaign demands agreed to were the abolition of Third World debt, suppression of tax havens, restructuring of international financial institutions such as the IMF and the World Trade Organisation (WTO), taxation of financial speculation and opposition to multilateral free trade agreements (such as the Multilateral Agreement on Investment).

Before the conference there were regional caucuses for delegates from Latin America, Africa and Asia to develop better links between countries in each region. The Asian meeting included activists from Afghanistan, Australia, India, Japan, South Korea, Malaysia, Pakistan, the Philippines and Thailand.

The Asian caucus discussed forming an ongoing network. Several campaign ideas were tabled, such as for the cancellation of Third World debt and against the IMF, solidarity with the people of Indonesia, East Timor and Burma, including a "Put Suharto on trial" campaign.

No independent ATTAC network was formed for the region, but the TransATTAC e-mail list will be used as a forum for collaboration and exchange.

On the final day of the conference, participants joined other ATTAC members at a rally in Paris. The rally marched through the centre of the city behind the ATTAC banner which announced: "The dictatorship of financial markets? Another world is possible."

The slogans and chants centred on fighting back neo-liberal budget cuts, placing the taxation burden on the rich and financial institutions, and international solidarity.

The first coordinated international campaign is aimed at the new round of WTO negotiations at the end of July. An international week of protest is planned for October 12-17. Each country will decide the nature of the action to be undertaken during the week. A day of activities will be organised on 20 November, to mark the opening of the Seattle WTO meeting to discuss a new Multilateral Agreement on Investment. A South-South meeting will be held in Johannesburg, South Africa, in November. A counter-



summit will be organised at the G7 summit in Okinawa, Japan, in July 2000.

Other activities include a Europe-wide "world petition" for taxation of financial speculation and the abolition of tax havens. This will be followed up with mobilisations. A demonstration is planned in Brussels in the spring of 2000.

* This article first appeared in Green Left Weekly. Additional information from Serge Conrad (Inprecor 7/99) Contact: ATTAC, 9bis rue de Valence, 75005 Paris, France. <inter@attac.org>, <http://attac.org>

Viva Mao?

Marxist-Leninist groups from several countries came together in Italy in August for an "Anti-imperialist summer camp for solidarity between the peoples."

Participants included the Democratic Front for the Liberation of Palestine (DFLP), Communist Party of the Philippines, KMTU, African Party for Democracy and Socialism (PADS, Senegal), Revolutionary People's Liberation Front (DHKC, Turkey), Broad Construction Front for the National Liberation (FAC-MLN, Mexico), Communist Youth of Lebanon, Irish Republican Socialist Party, People's Liberation Front (JVP, Sri Lanka) People's Liberation Front (Polisario, West Sahara) and Sardigna Natzione.

Contact ILC c/o RKL, Postfach 325, 1060 Wien, Austria. Fax: (+43 1) 504 00 10. E-mail: ilc@comports.com



Chi sono questi trotskisti?

Bandiera Rossa is the main revolutionary Marxist current inside Italy's Refounded Communist Party. Their new pamphlet explains their "trotskyist" origins, the history of Italy's anti-Stalinist currents, and the role they are trying to play in building the new party alongside comrades from other traditions.

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Mandel in Persian

The latest publication from the Iranian emigre group In Defence of Marxism focuses on the October revolution. Contributions include Ernest Mandel's critique of Bolshevik strategy and the Leninist model of organisation, and translations of texts by Deutscher and Rakovski.

The 235 page volume costs 20DM (10USD) including postage, from Iran-Komitee, c/o Infoladen, Werderstr. 8, 65195 Weisbaden, Germany. Send payment in DM to bank account "Eberhard Lebrecht" at Postbank Frankfurt/M (BLZ 500 100 60) 184 018 602. Mark your payment "In defence"

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Labor Standard #1

The first issue of Labor Standard (which continues the Bulletin of Defense of Marxism) can be viewed on the web at: www.igc.org/laborstandard/index.html Contents include a discussion on the Labor Party by John Hinshaw, Bill Onasch, David Jones and Paul Le Blanc, and Tom Barret on The Impeachment of Bill Clinton and Clinton's Real High Crimes: U.S. and Britain Bomb Iraq Again. Charles Walker talks about the Hoffa Junior Victory in the Teamsters. Subscription: US\$15 (3 issues); US\$24 (6 issues) within North America • US\$40 World Surface Mail. Checks payable to "Labor Standard", PO Box 1317, New York, NY 10009, USA. Editorial correspondence: PO Box 35541, Tucson, AZ 85740 USA. E-mail: bidom@igc.apc.org

New Left Review

The latest issue focuses on the Balkan conflict, with contributions by Tariq Ali, Slavoj Zizek, Peter Gowan and Edward Said. £5 from 6 Meard St, London, W1V 3HR, G.B.

Revolutionary History

Entitled 'Culture and Revolution in the Thought of Leon Trotsky', (1999, 316pp) the latest issue contains many articles that have not previously appeared in English. Price £11.00 (UK), £12.00 (Europe), £14.00/US\$ 20 (rest of the world). Cheques in GBP or international money orders to Socialist Platform Ltd, BCM 7646, London WC1N 3XX, United Kingdom. Or e-mail Ted Crawford with your credit card details. <tcrawford@revhist.datanet.co.uk>

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The British regroupment and publication are now on-line at

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