

TWO FACES OF CONTEMPORARY REALITY

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Two events dramatically illustrate contemporary reality. One involves Lech Wałęsa in the Congress pleading for loans and investment, offering up for sale Polish industries, resources and labor. The mass media and the political class celebrated the event as marking the "end of socialism" — noting that the working class of the East had pronounced itself as a partisan of free enterprise as the only road toward progress, growth and democracy.

At precisely the same moment that Wałęsa was addressing Congress, the Salvadorean people were engaged in a national insurrection: workers and peasants were fighting in a life and death struggle against the U.S. — financed death squads and generals — unwilling to submit to a regime of free enterprise and machine guns. The massive armed uprising clearly underlines the failure of capitalism to deal with the most fundamental social, economic and political needs of the vast majority of the people in Central America.

The crises of Stalinism in the East is matched by the failure of free enterprise in the South. The major difference is that while a peaceful transition is possible in the former Soviet sphere. Western backed terrorist regimes block any

such transition in the South. The demise of one social system (Stalinism) does not mean the superiority of the other (Western capitalism). The mass media's selective presentation of one face of reality — its exclusive focus on the crisis of Stalinism — obscures the dual crises in the contemporary world. And it is the double crises and how it unfolds that undermines facile triumphalist generalizations about the 'definitive victory of capitalism'.

If the class struggle against capitalism continues as a driving

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force of politics in major zones of the world economy (Latin America) the process of transition from Stalinist to capitalist democracies itself is not likely to be a smooth linear process.

Contradictions of the Anti-Stalinist Movements

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Thus the movements in the East represent both a historical opportunity and danger. Insofar as the anti-Stalinist outpouring unlocked civil society repoliticized the populace, organized autonomous movements they have undermined the police-state structures that prevented the emergence of democratic power of the direct producers. There is, however, no automatic connection between the demise of Stalinist police state and the emergence of socialist democracy — or even of social or liberal demo-

cracy. The definitions of post-Stalinist society are up for grabs. In the first instance, what is emerging are new forms of domination: chauvinist ethnic majorities lording it over minorities; a new political class of technocrats, upwardly mobile intellectuals, free booter capitalists, and compr-

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dores facilitating the sell-off of the national patrimony (a la Walesa). The emergence and formation of a new class is not a foregone conclusion even as the first symbols of power emerge from the "free-market" policies and the attempts by the Polish regime to subordinate the trade unions to state policy.

The direct result of integration of Eastern Europe into the West and the introduction of free market economic policies will almost inevitably provoke a 'second wave' of class conflict in the foreseeable future. In this sense, the Western celebration of the restoration of 'market-democracies' could be

capitalist-electoral regimes is being contested. The hegemonic aspirations of liberal democrats and market economists lack a strong tradition and/or institutional base. Given the historical strength of nationalist and populist forces it is likely that the political process will move rather quickly beyond liberal democracy with markets: post-liberal politics can result in the emergence of authoritarian clerical nationalism or even a neo-Stalinist revivalism.

What is clear is that the new market policies combine the worst vices of the East (monopolies) and West (unregulated prices, unemployment, job insecurity). The

strength of the capitalist restorationist forces within the anti-Stalinist movements should not blind us to the precariousness of their political project and their strategic weakness.

Decline of Liberal-Electoral Market Regimes: Latin America

The most common term used to describe the 1980's is the lost decade. Under the aegis of free market economic practices and deep structural integration into the financial and investment circuits of Western capitalism, Latin America has experienced its worst crises of the twentieth century: incomes have plummeted to the levels of the early 1960's and are still falling; malnutrition has become endemic; inflation has reached four digits. Economic stagnation has become a way of life as the open economies have allowed for the ascendancy of speculative capital, ecological pillage and massive capital flight. Out of this matrix of real existing free-enterprise massive social movements have emerged challenging the power of the market and its practitioners. Unlike the peaceful exit of the Stalinist regimes under the benign eye of the Soviets, the liberal electoral regimes - conservative and social democratic - have resorted to mass violence and state terror to sustain their liberal market economies and to uphold neo-classical dogma. Alan Garcia, the Social Democrat in Peru, has presided over the most repressive period in recent Peruvian history - over 16,000 people killed; Carlos Andres Perez's, the Venezuelan Social Democrat, violent repression of citizens protesting his orthodox austerity measures left over 1,500 people dead in Caracas and elsewhere. In Central America, Christian Democrats and Conservative electoral regimes have alternated with the military in the wholesale slaughter of opponents of free-market economic policies.

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The direct result of integration of Eastern Europe into the West and the introduction of free market economic policies will almost inevitably provoke a 'second wave' of class conflict in the foreseeable future. In this sense, the Western celebration of the restoration of 'market-democracies' could be premature: the inequalities, unemployment, insecurities declining living standards and diminution of social and workplace rights that emerge with the free-market restoration will provoke resistance.

premature: the inequalities, unemployment, insecurities declining living standards and diminution of social and workplace rights that emerge with the free-market restoration will provoke resistance. The naive expectations of the free market ideologues and technocrats that 'integration' into Western Europe will result in high growth rates and modernization overlook the disastrous experiences in neighboring Yugoslavia a pioneer in market-socialism, with four digit inflation, a currency that has declined 50 fold in three years and an unpayable debt.

The prospects for a peaceful transition from bureaucratic collectivism to bourgeois-electoral regime and its consolidation are problematical. Out from under the Stalinist ideological apparatus, clerical, nationalist, regionalist and even fascist and monarchist forces have emerged alongside conservative, liberal and social democratic political currents. The content of

Eastern ideologues have consumed the free market ideology of Western capitalism not the state regulated and directed capitalist practices of the West, Japan and the NIC's. In that sense, they follow in the footsteps of the Latin American elites and are likely to suffer the same consequences. Contrary to the wishes of the Eastern free-market advocates and Western publicists, we are more likely to see the Latin Americanization of Eastern Europe: a region hegemonized and plundered by the West, through a class of privileged national political intermediaries who organize a docile cheap labor market and sell-off national resources. In this explosive context, it is likely that round two of the popular struggle will resurface and it is within this context that a revitalized working class socialist project can re-emerge.

In summary, developments in the East provides us with a complex situation in which the tactical

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massive opposition to the "elite-export" model and its Western backers. Accompanying this opposition to the economic model is the widespread disaffection with the liberal electoral regimes which direct them. Anti-Western style free enterprise social-political movements are on the ascendancy everywhere. In Mexico the Cardenas Movement won the elections (with the estimated 55 percent of the vote in Mexico City alone) only to have it stolen by the pro-U.S. Salinas-PRI mafia. In Brazil the Workers' Party based on the trade unions and neighborhood organizations, has become the party of tens of millions of Brazilian voters in its programmatic challenge to the Western bankers and their local counterparts. In Uruguay, the Socialist Broad Front has won the mayoralty of Montevideo, and historical first. In Peru, the electoral and guerrilla left are a growing force among millions of discontented Peruvian peasants and urban poor, battered by the operations of the market. In Central America the pro-free enterprise Contras were decisively defeated and the mass movements in El Salvador and to a lesser extent, in Guatemala have demonstrated a tremendous resiliency in reconstructing popular power in the face of genocidal repression.

Increasingly the pro-Western free market policies of the electoral regimes have led to a deeper political polarization with the centre/left regimes increasingly relying on the military to enforce their anti-popular policies. The right turn in economic policy of the Liberal-Social Democrats and the militarization of political life has led to the disintegration of the political centre. The early euphoria which accompanied the emergence of liberal democracy has given way to profound antagonism in which the bankers and exporters linked to the West are increasingly looking to impose authoritarian solutions: a kind of neo-Stalinist capitalism, in which opening markets is accompanied by expanding

prisons. On the other side, the socio-political movements are moving beyond liberalism and the failures of capitalism in search of alternative popular-based and nationally controlled socio-economic systems.

While state Stalinism declines in the East, a version of free enterprise Stalinism has emerged in the West as the liberal market economies collapse under the weight of pillage debt and capital flight. The collapse of the liberal-market regime, however, brings in its wake several historical alternatives - the emergence of death squad democracies, democratic socialism or further disintegration. The refusal of the West, particularly the U.S., to disengage from the region has made the process of transition extremely costly. Assymetrical disengage-

and Poland is illustrative. The Soviets have accepted the transformation of Poland from a Communist-dominated regime beholden to the Kremlin to a parliamentary capitalist regime intent on establishing deep structural ties with the West. In this process Moscow did not financially intervene in the electoral process or organize or advocate armed intervention to undermine the transition to capitalism. In contrast, in Nicaragua the U.S. has financed a decade-long military effort to restore its political clients. It has organized an economic embargo, mined the harbors and authored a text on assassination of political opponents. As the electoral process unfolds, Washington has allocated eight million dollars to subsidize client groups.

The contrasting responses in

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ment - Soviet withdrawal from hegemonic politics and the reinforcement of U. S. hegemonic practice - places a special burden on Third World countries.

East-West Detente, North-South Conflict

While the ex-super negotiate arms agreements trade pacts and the end of the Cold War, while the Soviet empire disintegrates, the U. S. intensifies its efforts to retain control over its client-states and to expand its influence in areas of contested terrain. Washington has defined Soviet 'reforms' in terms of cooperation in facilitating recovery of U. S. hegemony. The key to understanding detente is non-reciprocity: the one-sided withdrawal of Soviet influence and the uncontested projection of U.S. power directly or through surrogates. A comparison of U.S. and Soviet responses to political changes in areas of hegemonic influence, Nicaragua

Soviet-Polish and U.S. - Nicaraguan relations are emblematic of the regional and global pattern. While East Europe democratizes without encountering state violence Central American democratic movements are subject to state violence comparable to the worst period of Stalinist terror. While hundreds of thousands of Czechs and East Germans demonstrate without a single death, in one day six Jesuits were killed subsequent to the murder of ten trade union leaders in El Salvador. While the Communist powers withdraw from Cambodia, Washington and its allies continue or increase their support to the Pol Pot led opposition; while the Soviets decrease their military support for Syria and urge Palestinian acceptance of Israel, the U.S. does nothing to prevent Israeli violence against unarmed protesters in pursuit of its annexation policies. Similar patterns emerge in Africa - Soviet

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concessions in Southern Africa are not reciprocated: rather, the West interprets Soviet withdrawal as weakness and as an opportunity to push harder to establish Western hegemony. Soviet-U.S. detente may lessen tensions in the North, while increasing them in the South prolonging struggles by strengthening the forces of violence and exacerbating the conditions of exploitation. Today, peace passes through the human rights and social struggle in Managua, San Salvador, Luanda and Pnomh Penh - not through Warsaw, Budapest and Berlin.

Disarmament begins with large-scale cut-backs in conventional arms to Western clients who have murdered 100,000 Indians and peasants in Guatemala, hundreds of thousands of Angolans and Mozambicans and 50,000 Nicaraguans. In the Third World, free enterprise has been rejected by the vast majority: it should not be allowed to shoot its way to power.

Inter-imperial Rivalries and the Decline of the U.S.

Apart from the profound crises that confronts capitalism in the South, emerging and deepening divisions among the major capitalist countries threaten to disrupt the system. While the U.S. capitalist state has declined, its corporations have expanded. This disjuncture between capital and state means, in effect that all the costs of reproduction and defense of capital are borne by the state (and by the wage/salaried taxpayers), while the profits, interests and rents are accrued internationally. Concomittantly, the ascendancy of fictitious capital and the decline of industrial capital has led to the wholesale decimation of the working class, which, in turn, has destabilized the family and created the basis for the emergence of mass ve drug economy and the routinization of crime. In this sense

the crime and drug issues are class questions rooted in the profound and far-reaching structural consequences accompanying the transition from industrial to fictitious capital. Unless the issue of the ascendancy of fictitious capital and the disarticulation of the working class is tackled, all the anti-drug campaigns and civilian patrols in the world will not prevent the production and reproduction of the drug economy.

Intellectual fashions notwithstanding, the primary reality of politics in the West has been the centrality of the class struggle, class war from the top. Massive transfers of wealth, through wage constraints, intensified production, lowering of social payments has been accompanied by wholesale pillaging of the state through tax subsidies, bank bail-outs and corrupt contracting. The post-Marxist, post-modernist ideologues operate in the involuted world fashioned by their esoteric and irrelevant gibberish. Today more than ever, class predominates in defining politics: the centrality of class rule over the state is transparent in the intervention and defeat of one major union struggle after another: air controllers, the machinists, the miners. Business unionism and class collaboration - tri-partite cooperation between business-state-labor has been replaced by bi-partite action to eliminate unions or subordinate them to the needs of international capitalist competition. The state's frontal attack on labor and the process of subordinating labor to international capitalist competition has undermined those intellectuals who argued for the autonomy of the state - a liberal wish more than a useful account of the workings of real, existing capitalist states.

The emergence of mass women's movements, black community organizations and ecological movements all confront the central issue of the economy -

and the capital class which controls it and shapes the investments and loans that directly affect them. More specifically the ascendancy of fictitious capital provides few opportunities for black employment, has no use for health and day care allocations and sees the environment as another commodity to strip and sell. Insofar as these movements move toward confronting the root source of oppression and degradation, they have to confront the class character of the state and the organization of economic power.

Culture, particularly mass culture, plays a major role in shaping the exercise of power and resistance. But culture does not exist as an 'independent sphere'. As the gaps between the classes widen, as the welfare state is dismantled, as classes, families and communities disintegrate, the cultural sphere plays a crucial role in deflecting the attention of the populace from the economic realities to the 'mass spectacular'. Class war and cultural spectacles are two sides of the same reality. Cultural activity begins by making the mass media accessible to the opposition - a demand that has been central to the popular movements in Eastern Europe. Any democratic social movement in the modern world today necessitates a transformation of the media from a private corporate instrument of state propaganda to a pluralistic vehicle open to the articulation of popular interests, demands and struggle.

Political Struggle in the 1990's: Conclusion

As the massive uprising of the Salvadorean working class and popular guerrilla buried the pretensions of those who announced the triumph of capitalism, the dense network of grassroots organizations which permeate civil society in the U.S. attest to the vitality of the popular struggle against the supremacy of the capitalist state.

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The strengths and weaknesses of U.S. politics are evidenced in this dual reality: no where in the Western world is there such an extensive network of organizational activity directed towards defending individual and collective interests from the depredations and 'neglect' of the capitalist state as in the U.S. And at the same time, no where in the Western world is there such a thorough-going absence of political representation of working class or popular interests, in the national structures of political power - either in the Executive, Congress or political parties. There is a profound disjuncture between the democratic movements in civil society and the closed, monolithic political structures that monopolize national political life. Political struggle in the 1990's revolves around the movement of political action from the realm of civil society to the state from local grassroots pressure groups to independent political alternatives, from a one party to a multi-party system, from a monolithic media to a pluralistic:

The key point of departure for any consequential and sustainable political change is a break with the two factions of the one party system. From Truman in Korea to Kennedy and Johnson in Vietnam to Carter in Central America, the Democratic Party has been the centerpiece of war in the Third World. While big city Democrats talk to the left, they work for and are financed by the real estate developers and financial interests, as a quick glance at the campaign financing of the Democratic mayors in the recent elections attests. Reagan's budget cuts alone did not create the low paid service working class and the homeless. The big city Democrats, black and white, played a major role: the alliance between the Democrats and speculator capitalism in Detroit, Atlanta, Chicago, New York, Los Angeles, Boston led to the massive urban displacement of low income housing industrial manufacturing and

the expansion of downtown office buildings, high rent condos and the exploitation of low income 'illegal labor' in the service sector.

The deep structural ties between the northern urban liberal wing of the Democratic Party and fictitious capital serves as an effective barrier to any consequential effort by the popular movements and the working class to confront their most basic concerns, let alone 'reform' the party. Backing isolated and important progressives in the Democratic Party with their symbolic gestures and ringing denunciations prevents the movements from organizing in areas where the movement is strong and capable of spreading outwards in a cumulative fashion to new constituencies.

The re-emergence of opposition in the U.S. and effective political change, as has been true since the 1930's, occurs through extra-electoral mobilization. Industrial unionism came about because of the CIO and the massive wave of direct action in the factories and streets. Civil rights and urban reforms came about because of massive black street protests and urban uprisings. The Vietnam war ended because of massive disruption of troop trains and state business. More recently, the rush to reverse women's rights was set back on its heels by the massive march of women in Washington and elsewhere. It is clear that there is a powerful and effective reservoir and tradition of political action embedded in civil society - which has emerged time and again in moments of crisis, and is presently forthcoming. But with all of its strengths, mass direct action is single issue pressure politics that does not transform the institutions that perpetuate the problems - when the movements ebb, as they must with time, the politicians and institutions begin to revert back to serving the masters of property and wealth, now chipping away at the reforms (liberals), now savaging whole programs (conservatives). In a word, pressure politics don't build struc-

tures that can sustain and deepen the changes fought for and initiated by the sacrifices and struggles: movement politics are like Sisyphus pushing the stone of reform up the hill and having it fall back when he approaches the crest. To go over the top, a new political movement must be built, one that learns from the positive side of the Eastern European experience: that rejects compromises with the current corrupt one party system (including its liberal face) that pressures relentlessly for access to the mass media and seeks to break the political monopoly of real estate and financial capital. A political movement that locates the ecology and women's movement, the black and white working class at the core of its politics and focuses its energies on the common adversaries, the capitalist class that controls the means of pollution the sources of employment discrimination and unemployment and the means of propaganda. We too can take courage from the movements in Central America who have said enough and are prepared to carry the struggle to its ultimate consequences. Let us draw on the best traditions and practices of the movements East and South: the anti-capitalism of the South and the anti-Stalinism of the East and build a truly democratic socialist society rooted in our own traditions, anchored in the strength of civil society ■