

# *Socialist* **Action**

July/August 1996  
Vol II Issue 5

£1.50

*Review*

## ***Russia***



***How Yeltsin  
tried to rig  
the election***

### ***EMU CRISIS: special feature***

- ***Student movement at a turning point***
- ***Lessons of the fight against the Asylum and Immigration Bill***
- ***Two-tiers in women's employment***



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Seminar-Conference

# Alternatives to Maastricht

**Saturday  
6th July**

Congress House,  
Gt Russell St, London WC1  
1pm to 5pm

Registration and further details from:  
Alternatives to Maastricht, PO Box 188,  
London SW1A 0SG

*Speakers include:*

Diane Abbott MP  
Roger Berry MP  
Ken Livingstone MP  
Anni Marjoram  
Jonathan Michie  
Mary Rosser Morning Star  
Mark Seddon Editor of Tribune  
Shaun Spiers MEP

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# Russia votes

The results of the first round of Russia's presidential elections, published as we go to press, are clear. Despite universally acknowledged media bias, proven vote-rigging, an unlimited campaign budget — including effectively \$10bn from the IMF, repeated threats of civil war, shootings and a bomb blast in Moscow, and the vocal support of every major western leader, President Boris Yeltsin could only muster a third of the vote.

The *Financial Times* reported: 'The mass media have become untiring cheerleaders for the presidential team; they lead news programmes with stories like 'Why there will be civil war if the communists win'.'

The Conference on Security and Cooperation in Europe (CSCE) which observed the elections reported: 'Not only was there a significant imbalance in Yeltsin's favour in the amount of coverage but also his campaign was generally shown in positive terms compared to other candidates, in particular Zyuganov, who tended to be shown in a negative light.'

The CSCE stated: 'On polling day itself numerous infringements of the electoral law and regulations were observed.' These included: 'The most widespread comment amongst observers was the lack of secrecy when individuals voted' — with no polling booths in some areas; the 'misuse of government resources' to back Yeltsin; 'manifest support for Yeltsin among local election commission members'; banning opposition candidates from the 'use of public buildings for meetings'; the issue of 'several ballot papers' to some voters, and so on. In war ravaged Chechnia, the electoral commission claimed Yeltsin received his highest score in the country — 64.1 per cent (!) — whereas the CSCE said the vote 'did not comply with the CSCE principles for free and fair elections.'

The CSCE concluded: 'Now that a second round of voting is confirmed, in which the outcome could be determined by a small number of votes, it is important that the shortcomings mentioned above in the behaviour of the media, the conduct of the election campaign and the polling day procedures be addressed as a matter of urgency... the early publication of the voting figures in polling stations would do much to enhance the transparency of the electoral process.'

More than a week before polling day, former Defence Minister Pavel Grachev, had announced that sailors in the Russian fleet had voted 'unanimously' in support of Yeltsin.

The fact that, in these conditions, Communist Party candidate Gennady Zyuganov, on official figures, came within three per cent of beating Yeltsin in the first round, means that, in any fair election, with freedom of the media, the Communists would win.

For Western governments, that possibility made the stakes in the election enormous. As *The Economist* put it: 'Boris Yeltsin helped destroy an evil empire' and 'established private property as a foundation of personal liberty.' On the other hand: 'It is often said that the market is too well established in Russia even for Communists to replace it with central planning; that the main reforms already enacted are irreversible, and that Russia's communists, like those elsewhere in Eastern Europe, will, in time, become social democrats. Alas, each of these assertions is based more on hope than certainty. It far from sure that Zyuganov would be persuaded by the IMF and Russia's other creditors to junk almost every main promise in his manifesto; price and exchange controls, wage and pensions increases, protectionism and subsidies to clapped out industries.'

It concluded: 'Elections are seldom make or break affairs. This one might just be.' The *Wall Street Journal* articulated the same view: 'It's hard to recall any past election characterised in such absolute terms.'

In such circumstances, the rules of bourgeois democracy take second place to the defence of capitalism. The idea, widespread in 1989, that capitalism was the precondition for democracy in eastern Europe, is becoming transformed into the notion that, for the sake of capitalism, democracy might have to be discarded. Thus the rigging of the Albanian elections a few weeks earlier, was greeted by the following headline in the *Wall Street Journal*: 'Tirana confronts west with old debate: democracy vs stability.'

The majority of the western media reflected this position in relation to Russia, by implying that Yeltsin's monopoly of the media, electoral fraud, and even the possible cancellation of the Russian elections — would be acceptable alternatives to a Communist victory.

Since January 1992, the population of Russia has tried to use every possible institution and political force to resist the social and economic catastrophe which capitalism brought to the country. Yeltsin responded by increasingly violent inroads against democracy which are always excused on the grounds that the alternative is worse.

The first phase of this was the resistance by the Russian parliament, in which the Communists were a small minority, to economic shock therapy. This was terminated by Yeltsin's tanks in October 1993.

Then, in the elections which followed, in December 1993, the party of Prime Minister, Yegor Gaidar, was crushed — winning less than 15 per cent of the vote — while the right wing nationalist, Vladimir Zhirinovskiy, on the basis of violent denunciation of government policy, took 25 per cent and

the Communists, though banned at the outset of the campaign, won 12 per cent.

A struggle then unfolded which was totally misunderstood by a Western left unable to grasp that the principal threat to democracy in Russia came, not from some supposed threat of a 'red/brown alliance', but from those driving forward the re-introduction of capitalism.

In reality, a bitter political struggle was unfolding to determine *which* political forces, the left or the extreme right, would lead the progressive patriotic opposition to the destruction of the Russian economy and society.

Had the Communist Party followed the advice of most of the west European left and stood aside from that struggle, the alternative to Yeltsin in Russia today would be Zhirinovskiy or someone to his right.

Instead, by placing itself at the head of the patriotic opposition to the destruction of Russia, the Communist Party succeeded in marginalising the extreme right. Whereas the Communist vote in the December 1995 parliamentary elections doubled, that of Zhirinovskiy was halved. By the first round of the presidential elections the Communist vote increased by another 50 per cent, whereas that of Zhirinovskiy fell by a further 50 per cent.

Moreover, far from a 'red-brown' alliance, the most extreme right wing nationalist, and even fascist forces in Russia today, are in their great majority backing Yeltsin against the left. Thus, while the Communist Party opposed the invasion of Chechnya, Zhirinovskiy backed it to the hilt. When Yeltsin's staff called for the presidential elections to be cancelled, Zhirinovskiy agreed. The main fascist organisation in Russia, led by the neo-Nazi Alexander Barkashov, backs Yeltsin.

On the other hand, the Communist Party has advanced to win the support of sections of the working class — above all the coal miners — which played a decisive role in backing Yeltsin in the past. The Kuzbass coal field is now a bastion not merely of the Communists, but of their left wing. The last year has seen a rash of serious strikes. They started in Bryansk last autumn, where one person was killed during a strike against non-payment of wages. That was followed by a national coal miners' strike — with the Russian capitalist press writing that the miners were worse than Chechen terrorists. Teachers' strikes, regional strikes by the police and a hunger strike by prison warders followed in quick succession.

Over the same period, the Communist Party has moved to the left. It started 1994 entertaining serious illusions in Prime Minister Victor Chernomyrdin, which were dispelled by the first nine months of his period in office. Once the CP moved into outright opposition to Chernomyrdin, its support at the polls soared.

The great majority of the membership of the Communist Party, reflected in its congress votes, stands for a socialist way out of Russia's crisis. Its leadership is divided, roughly equally, three ways — between a social democratic current, a left nationalist current, led by Zyuganov, and a communist current — in relation to the latter Tulayev, head of the legislature in

the Kuzbass, plays a leading role. There is also a significant party to the left of the Communist Party — the Russian Communist Workers' Party — which today would win more than 5 per cent of the vote, and part of which has moved beyond the left adventurist politics represented by Anpilov.

This entire development, since January 1992, reflects the desperate pressure of the Russian working class to create a subjective political leadership capable of halting the capitalist economic course devastating the country. Opinion polls show that majorities of supporters of *all* parties in Russia believe that large-scale industry should be controlled by the state.

Yeltsin's tactic in these circumstances is to try to cut into the Communist Party vote by tacitly backing 'opposition' candidates who can then be neutralised. In December 1993, vast media coverage was given to Zhirinovskiy. In the first round of the current presidential election, glossy advertisements for General Lebed, appeared on television and in the press during the last week of the campaign. Lebed presented himself as a fierce opponent of what he called Yeltsin's 'corrupt' regime, but in reality strongly supports privatisation and even accepts NATO expansion into eastern Europe. His deal with Yeltsin was concluded *before* the first round vote actually took place.

The political dynamic in Russia is therefore clear. Capitalist political forces are systematically exhausting themselves — first Gaidar, then Chernomyrdin, then Zhirinovskiy, over the next period Lebed. If he could, Yeltsin, would cut short this process by dispensing with democracy altogether — but to date he has not created a capitalist repressive force capable of enforcing that. The Communist Party, which includes a powerful left wing, is progressively winning the leadership of the majority popular opposition to capitalism. Its different trends are presently united behind Zyuganov's candidacy, but with different strategic perspectives — essentially divided between those determined to defeat capitalism in Russia and those seeking a compromise with Russia's new bourgeoisie.

On this dynamic, if a capitalist dictatorship is not imposed in the meantime, the Communist Party is being propelled towards power in Russia. That would not resolve the country's crisis — because it is not yet clear what a Communist government would do, but it would take the struggle to resolve it by socialist means onto a new and higher level. That in turn would have an immediate, and immensely progressive, impact on world politics. The result of the second round of the presidential election will accelerate or slow-down that dynamic — but it is not going to be halted.

The task of socialists in the West is to grasp the historic significance of the immense class struggle which continues to unfold in Russia — *and take sides*. Because there is no single event which could do more to take humanity forward at the end of the twentieth century than a victory for the left against capitalism in Russia.

# Student movement at a turning point

On 18 May, David Blunkett announced that the Labour Party would replace student grants with a graduate tax or 'income-contingent' loan system for students. The announcement came less than two months after the National Union of Students, under its Blairite leadership, voted through the same policy. This vote followed a huge struggle in NUS, with left students campaigning to defend state funded education and grants. A few weeks later the left candidate for NUS president, Clive Lewis, was suspended from the NUS executive for arguing the case for student grants. After some years of political retreat, a renewal of student politics is on the agenda.

**T**he right's victory at NUS conference was made possible by the failure of the predominant forces on the left to convince the majority of students at NUS conference that providing adequate state funded further and higher education was not utopian, but entirely possible, given a different set of economic priorities.

What is at the heart of the debate is not whether the expansion of education is necessary for the British economy, but how it can be achieved: who should pay for that expansion — capital or the working class? The Labour Party's decision to 'bite the bullet' and make students pay back their maintenance through the tax system, marks a clear — but not unexpected — turning point in Labour policy. Coming out in favour of a system which will put graduates in debt to up to £25,000 for as long as 20 years, is not just politically unacceptable, it is a suicidal step for Labour to take in the run up to the general election. What is more, the policy will not solve the problems of how to fund the expansion of education. Even more unpleasant proposals are in the pipeline.

Student numbers have more than doubled in ten years. At the same time government spending has been reduced by a third per student in real terms. The resulting squeeze on university institutions was reflected in the threat by the Committee of Vice Chancellors and Principals (CVCP) to apply a £300 per head top-up fee to students. Some universities, such as Birmingham, are explicit that charges will be introduced in 1997. The *Guardian* wrote that these policy moves 'marked a turning point, breaching the principle of free higher education...' (7 June).

But they regard student loans as merely the first step: 'Labour is still ducking one uncomfortable issue: contributions to tuition fees. Yesterday's plan still leaves universities seriously underfunded' (22 May). The *Financial Times* also advocates that graduates pay tuition fees: 'The next step ought to be a state loans system for tuition fees, with repayments taking the form of addition to the rate of tax paid by graduates.'

The need to expand education and develop a far more highly trained workforce is one of the biggest problems of the British economy. The 1996 *Social Trends* pointed out 'it is striking how much more quickly young people here quit the formal learning environment. By the age of 18 barely half are participating, whereas in France or Germany the proportion is about four-fifths'. In addition, Britain has among the lowest spending on education, OECD figures show just 4.1 per cent of GDP, as compared with 5.9 per cent in France and 7.9 per cent in Finland (*Guardian* 8 May). Lack of investment in education is reinforcing this situation. The CVCP published a report on 6 June showing how four out of five science and engineering departments were unable to carry out critical experiments due to lack of funds and equipment. They claimed that universities were concerned that multinational companies were moving their joint research projects outside of Britain.

At NUS conference in March, a right wing campaign for graduate tax, *New Solutions*, alongside the Blairite majority in Labour Students, succeeded in winning a policy of support for a 'pay to learn' scheme instead of grants by 616,226

votes to 338,264. The motion asserted that 'current NUS policy which calls for a return to pre-1979 grant levels is both unrealistic and unachievable'.

This vote represents a turning point in the history of the student movement: with NUS rejecting state-funded education in favour of students paying for it themselves.

The NUS policy and David Blunkett's *Lifelong learning* document are, however, both seriously flawed and situate themselves within the Tory economic framework. Both wish at all costs to avoid the class struggle necessary to make capital pay for the education and training of the future workforce.

Firstly, they advocate loans, both for further and higher education, and abolishing the parental contribution. The Blunkett document does not give a figure for the new loan — which will not be fixed until after the Dearing Committee has reported — after the general election.

This loan would be repaid through national insurance or an additional tax, after graduation and for an extended period of up to 20 years.

Not explained is how the initial investment is to be funded during the 5-20 years it would take for graduates to pay back the loan. A similar system in New Zealand has proved disastrous — some ex-students may be paying back their debt after they retire and some may even die with the debt. This sort of scheme will particularly hit women, black people and people with disabilities, who are already discriminated against in the job market and in wage levels and who will take longer to pay back an income-contingent loan. Older students may find they cannot get loans, particularly if private banks fund them, as the new Labour NUS president Douglas Trainer advocates (*Guardian* 21 May).

**N**ew Solutions reject a state funded system as they claim the cost of restoring and extending grants for all students would be £11 billion

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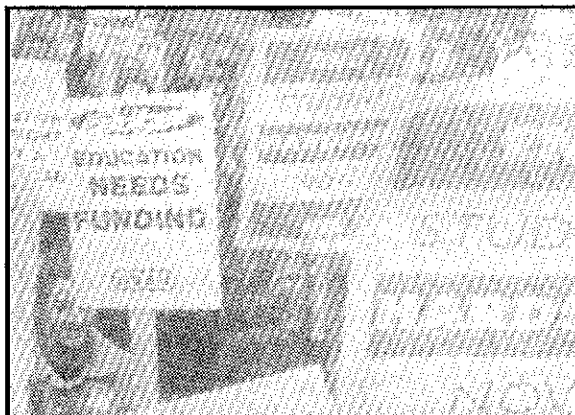
'NUS and Labour policy both aim at avoiding the class struggle necessary to make capital pay for the education of the future workforce'

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**Early Day Motion  
tabled in the House  
of Commons on 12  
June against the  
attack on NUS  
executive member  
Clive Lewis who  
supports grants**

**That this House condemns the intolerant and dictatorial behaviour of the President of the National Union of Students, Jim Murphy, who has unconstitutionally suspended NUS Vice President, Clive Lewis, because he took part, in a personal capacity, in an open debate at Queen Mary and Westfield College on the issues raised by the Campaign for Free Education; further notes that along with President Elect, Douglas Trainer, both men have warned NUS Executive Member, Rose Woods, that if she attends the Scottish launch of the Campaign For Free Education she too will be suspended from the NUS Executive; reminds Mr Murphy and Mr Trainer that freedom of speech is a right in the United Kingdom, that they have no power to overturn the results of elections that went against their preferred candidates and that, whilst these methods are a common practice in dictatorships around the world, they are not acceptable behaviour from someone such as Mr Murphy who is putting himself forward as suitable for election to the House of Commons'**

**Ken Livingstone  
Tony Benn  
Dennis Skinner  
Audrey Wise  
Lynne Jones  
Alan Simpson  
Neil Gerrard  
John Austin-Walker**



and raising this sum is utopian. This figure includes tuition fees as well as student maintenance. But the House of Commons library research department figures has revealed that the £11 billion figure is false. They put the cost of restoring a grant of £3,250 to every full-time university student at around £3.25 billion. To extend this to further education students would cost a further £2.5 billion, giving a total of £5.75 billion.

Taking into account the £1 billion already spent on grants, the real amount needed to provide a state funded grant system on 1979 levels would be no more than £4.75 billion. To restore social security benefits to students would cost a further £150 million.

Secondly, *New Solutions* counterpose this to spending on nursery education or the welfare state. *New Solutions* ignore the alternative of raising funding from the sections of the economy which have benefited most under Thatcher and Major — limiting inflated dividend payments, cutting defence spending and reversing Lawson's tax cuts for the rich. This would require a different set of priorities for the British economy. It would mean opposing the terms of the Maastricht Treaty. But it would be a good basis for an alliance of students with the labour movement.

**S**ince conference the leadership of NUS has shown how terrified they are of a student backlash against what should accurately be called their betrayal of future generations of students. NUS President Jim Murphy sent faxes to a number of artists and record labels who had agreed to participate on a CD in aid of the Campaign for Free Education, saying that the campaign was run by 'extremists'. This backfired when the music paper *NME* ran a story 'Suede hit back at NUS' reporting that 'Suede have attacked the National Union of Students after it

criticised them for contributing to a new CD in aid of the Campaign for Free Education' (15 June).

On 6 June Jim Murphy sent a memo to NUS Vice-President Clive Lewis suspending him from the National Executive Committee for having 'violated the NUS mandate on education funding'. A number of Labour MPs placed an early day motion in the House of Commons condemning this move as a 'dictatorial' attack on 'freedom of speech' (see box).

**T**he opposition to the NUS right's attack on grants was led by an amalgam of independent left forces and left currents which came together in the Campaign for Free Education (CFE). This campaign had important strengths and weaknesses.

The campaign was an advance on previous lefts in NUS such as Left Unity and Socialist Students in NOLS, which were dominated by *Workers Liberty* (*Socialist Organiser*). The CFE brought together a broader range of students, which coalesced around the presidential candidate, Clive Lewis, who as an individual represented more advanced politics than *Workers Liberty*, in particular on the issue of anti-racism and support for black self-organisation. This broader support was shown by the fact that in the election for President, Clive Lewis lost to the right wing Labour Student candidate by 586 votes to 458 — a closer margin than the votes on education funding.

Similarly, in Labour Students a broader left began to emerge. This was expressed earlier in the year at Labour Students conference, where the left candidate for vice-chair, Kent University president Mike Bunney, lost by just 3 votes and the left expressed more advanced politics on racism, Europe, opposition to PR and women's representation.

The problem for the CFE was the role of *Workers Liberty*, who, in addition to right-wing international politics, claim that the left does not need an alternative economic policy.

The most crude expression of this was their resolution to NUS conference. It opposed the right-wing proposals, but argued 'If the UK can "afford" huge share options, nuclear weapons and the Royal Family, then we can afford to give everyone the chance of a decent education' and 'the ten richest people in the world have a combined wealth of £78.3 billion; they could fund a



difficult because the campaign was narrowed by *Workers Liberty's* politics. The vote in favour of free education had been won at the special conference called the year before in circumstances most favourable to the right. Whilst the right had a year to organise their forces, so did the left. Despite the breadth of support for the CFE, the politics of and the leading role of *Workers Liberty* did the campaign serious damage.

*Workers Liberty's* narrow and philistine politics are not only confined to the question of economic policy. They are rooted in what Lenin called a framework of 'imperialist economism'. This is clear from even a cursory glance at their political positions: supporting the reintroduction of capitalism into Eastern Europe; supporting the banning of the Communist Party by Yeltsin; refusing to oppose the Maastricht Treaty; calling for the overthrow of Castro in Cuba; opposing British withdrawal from Ireland; opposing self-organisation of oppressed sections of society; and so on. Such politics are incapable of constructing the alliances the left needs.

**W**hat is required now is for the more advanced politics, which was strengthened in the course of the fight to defend grants, to come together in a more organised way to create a new socialist leadership of the left. Crucial to this will be its political basis. Defending the interests of students, that is winning back the policy on grants must be firstly linked to a credible alternative left economic strategy. Secondly, it must also defend *all* students under attack, in particular on anti-racism, linking up with the black students and supporting their right to self-organisation. Black students have no representation in NUS at a national level and anti-racism is not taken seriously by either the right or *Workers Liberty*. Any new left has to put this issue centrally and link up with the broad organisations such as the Student Assembly Against Racism and the National Black Alliance. Thirdly it has to take up the most important issues of the class struggle in Britain and internationally. A student who stands aside from the struggles of the most oppressed people in the world will ultimately contribute nothing to the progress of humanity.

By Kim Wood

return to full grants and benefits several times over and still have change.' Few at conference were convinced that this was a realistic strategy for funding education.

Such arguments were ridiculed by the right.

**T**his failure was not due to an oversight or inexperience, but the result of the politics of *Workers Liberty*, who were actively opposed to putting forward a serious economic policy.

At the CFE conference on 22 May, for example, *Workers Liberty* supporters tabled a resolution on economic policy in response to those who had criticised the lack of any alternative economic argument by the CFE at NUS conference. The secretary of the CFE, not a supporter of *Workers Liberty*, proposed a special working party to devise an economic policy to pay for free education. *Workers Liberty* argued against taking a position on economic policy because of the 'many different views' on the issue and because 'people are unfamiliar with the arguments'. It argued that adopting an economic argument would create barriers to people supporting the campaign. This was the opposite of the truth: the failure to convince people that there was a serious alternative way to pay for education had *contributed* to the defeat at conference.

The CFE conference was delib-

erately engineered to prevent these arguments being seriously discussed. The 'aims and objectives' resolution put forward by the secretary which called for an economic working party did not get discussed. The chair of the campaign had produced a detailed paper — *The economic case for free education* — which did not even get mentioned. The debate on economic policy was not reached.

The issue of what sort of campaign is needed to defeat the right came out to some degree in the debate around the attitude to the Labour Party. *Workers Liberty* proposed to demonstrate at Labour Party conference, joining a lobby organised by the Welfare State Network. This was opposed by a leading left figure in Labour Students, who argued instead for a serious approach aimed at winning the arguments with Labour delegates. This latter position was lost, but it clarified whether the campaign should merely engage in gesture politics or seriously try to win its view.

At NUS conference it would have been much more difficult for the right to win the vote had their arguments been seriously countered. While it is true that the atmosphere of NUS conference is extremely polarised, the job of winning over what might be termed the middle ground was made more dif-

### MPs and pop stars attack 'intolerant' students' union

Gary Young

**T**HE leadership of the National Union of Students has come under severe criticism from politicians and pop stars over its attempts effectively to silence those who support free education.

Eight MPs have signed an eight day motion to protest against the definite suspension of...

after a heated and divisive argument at its annual conference. The policy change was supported by the Labour leadership. But Mr Lewis, who opposed it and unsuccessfully stood for the presidency, has continued to argue his case.

Last week, he received a memorandum from Mr Murphy: "It has been brought to my attention that you have yet again violated the NUS...

### Labour aims to levy tax on graduates

By Jill Sherman

GRADUATES could have to spend 20...

Computers and the... student grants... between them... £1.5bn per year... abolished. Labour... would also... which the... to get... by...

By John Authors

Labour yesterday opened the way to charging students real interest rates on loans as part of a package which will abolish student grants and replace them with a loan system funded by the private sector.

The move was welcomed within higher education as a 'start' to a viable system of funding.

to raise... demands for... shadow... said the... 'free'... ruled... some... able to...

at their... under...

after a heated and divisive argument at its annual conference. The policy change was supported by the Labour leadership. But Mr Lewis, who opposed it and unsuccessfully stood for the presidency, has continued to argue his case.

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# Lessons of the fight against the Asylum and Immigration Bill

The government's decision to use the Asylum and Immigration Bill to try to whip up a wave of racism before the general election put all anti-racist organisations through an objective test. Could they rise to the challenge of mobilising every possible force to oppose the Bill? The results allow the debate about how to take the anti-racist movement forward to be placed in an objective framework.

**T**he last year, particularly in the approach taken to building the Campaign Against the Asylum and Immigration Bill, has clarified that the forces which came together in the National Assembly Against Racism — the National Black Caucus, National Black Alliance, Tower Hamlets Anti-Racist Committee, the Society of Black Lawyers and individuals like Diane Abbott MP — have demonstrated in practice how to create the unity in action necessary to meet the racist onslaught.

This is not a matter of counterposing the National Assembly to other important anti-racist initiatives, like the TUC's Unite Against Racism events or the Board of Deputies of British Jews' proposal for a United Campaign Against Racism in the general election or the excellent work done by existing campaigns on specific issues. These are vital to the success and scope of the broad anti-racist movement.

But unless there is an organised national alliance, led by the black communities, able to respond to each new issue of racism, the anti-racist response will be more fragmented and less effective than necessary.

The practical experience of the last year has also clarified that the ARA has acted to disunite and undermine the anti-racist movements. The ARA boycotted the united actions against the Immigration and Asylum Bill. Instead, it organised its own sectarian demonstration which deeply divided the anti-racist movement by publicising a speaker who reportedly questioned whether Hitler's holocaust against the Jews really occurred.

The National Assembly created a broad basis for unity that could extend as far into the mainstream

agenda as possible — the Campaign Against the Immigration and Asylum Bill. On this basis it established a framework where all could participate in this campaign irrespective of their views on other issues that had arisen in the anti-racist movement.

CAIAB understood that representatives of the refugee communities had to be in the forefront and able to use the campaign's platform to explain the problems confronting their particular community.

As the campaign developed more and more refugee organisations and community groups involved themselves in its activities and spoke on its behalf. The Campaign Against the Asylum and Immigration Bill provided a platform for all these concerns and, while united solely by opposition to the Bill, created a greater basis for unity between different sections of the black communities for future anti-racist struggles.

The black organisations in the National Assembly Against Racism, grouped in the National Black Alliance, gave direction to the campaign, so that as well as concentration on the issues of asylum rights, the campaign also took up the way the Bill would affect the resident black communities through 'internal controls', increased police powers and the new legal status of 'immigrant'.

At the same time, the Campaign attempted to draw on and promote the work and expertise of existing organisations working on the issues in the Bill.

As a result tens of thousands of people took part in dozens of local public meetings, lobbies of parliament and CAIAB's two national demonstrations. Virtually every national trade union affiliated to CAIAB and the campaign was able

to draw Labour's Front Bench into its activities. This allowed it to be clarified that Jack Straw intended to repeal only some parts of the Bill — thus bringing home that the campaign for immigration and asylum rights will need to continue under a Labour government.

The ARA decision to boycott this broad movement and invite on to its platform a speaker who was on record as saying that the holocaust had yet to be verified had the opposite dynamic to the necessity of united action against the Bill.

The Board of Deputies of British Jews withdrew their speaker and all support from the ARA demonstration. Their withdrawal was followed by that of the TUC. The CRE withdrew its speaker and the National Union of Students and Union of Jewish Students issued statements opposing the march.

The demonstration was a debacle with 150 people attending and so small that the police decided it did not justify disrupting traffic and insisted it progress to its destination on the pavement.

This disaster was reminiscent of previous cavalier and sectarian treatment of black families which contributed to the break up of the original alliance around the ARA.

**I**t also underlined an important issue in building unity in the anti-racist movement. The unity between the black and Jewish communities is one of the corner stones of the anti-racist movement.

At the CAIAB demonstrations and at the two National Assemblies Against Racism, Jewish and Muslim speakers have shared platforms to address both their common concerns in the fight against racism, and particular issues that affect Jewish people and the Muslim faith communities more immediately. This has provoked no problems, let alone a crisis, because the Campaign created a shared basis for uniting in this struggle.

In creating this unity, the holocaust occupies a central place politically — it was not only the profound experience of racist genocide

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'Unless there is an organised national alliance, led by the black communities, able to take up each new issue of racism, the anti-racist response will be less effective than necessary'

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which affects the consciousness of Jewish people, but was a decisive event in the formation of anti-racism in Europe. Maintaining the memory and veracity of the holocaust at the heart of the anti-racist movement is of crucial assistance in the contemporary fight against racism.

By contrast, there are profound differences within the anti-racist movement on the Middle East, the Palestinian struggle, the role of Israel and the history of its formation as a state. Muslim communities and organisations incline to hold positions strongly supporting the claims of the Palestinians, whereas many Jewish organisations are in political solidarity with the state of Israel. The anti-racist movement in Britain must be able to unite different communities in the anti-racist struggle irrespective of their views on the Middle East.

In other words, any attempt to exclude individuals or currents from

the framework of the anti-racist movement on the basis of their views on the Middle East is not acceptable, but holocaust denial or advocating suppression of the Muslim religion are totally different issues which cannot be accepted within the anti-racist movement and indeed form part of what the anti-racist movement is organised against.

Instead of acknowledging that holocaust denial is antithetical to the anti-racist movement, when the ARA invited such a speaker on to their platform, its leadership then attempted to present the opposition this met as anti-Muslim. This included a public attack on the TUC to which John Monks replied in the *Caribbean Times*. This did a further grave disservice to the anti-racist movement in blurring the real issue of demonisation of the Islamic faith — a clear component of contemporary racism — with that of holocaust denial. This only makes even harder the difficult task of cre-

ating an anti-racist unity capable of fighting both.

**T**he National Assembly Against Racism — particularly through the experience of the last year in the struggle against the Asylum and Immigration Bill — has shown itself to be a vehicle to take forward the creation of a black-led anti-racist movement on the scale necessary to fight what already is the most serious growth of racism and the extreme right in Europe since the 1930s.

The threat that a Labour government committed to the Maastricht Treaty would intensify institutionalised racism and to provoke the scale of racist backlash already evident elsewhere in Europe, demands that the basis for unity which exists in the National Assembly Against Racism be built upon as rapidly as possible by all anti-racists.

**By Anna Samuel**

## Two-tiers in women's employment

The Spring 1995 *Labour Force Survey* dealing with the participation of women in the labour market focused on women's levels of economic activity, the types of jobs they do and how this relates to their family commitments. *Labour Market Trends* (March 1996) featured an article which is of interest to those concerned with the economic underpinnings of women's social status and political prospects. We highlight some of its key findings.

**C**ontrary to the claims of the anti-feminist backlash, for example, Catherine Hakim who claims that the last 50 years have seen no increase in the proportion of women in paid employment, these figures confirm that women are continuing to enter the labour market but that class divisions among women are growing not shrinking.

They describe a two-tier society of, on the one hand, women who are able to obtain child care provision, hold full-time jobs, obtain qualifications, and on the other hand, large numbers of women without access to child care provision, often forced into part-time, temporary and low paid work.

By spring 1995 43 per cent of the total labour force were women.

There were 10.8 million working age women in employment. In the decade from 1985 to 1995, women's economic activity rate increased from 67 per cent to 71 per cent (whilst men's fell from 88 per cent to 85 per cent).

Whilst women's economic activity rates are consistently lower than the corresponding rates for men, the greatest difference is for the age group 25-39 where the economic activity rate for women is 72 per cent compared to 94 per cent for men. The gap is a reflection of women's role in the family, but at the same time the proportion of women economically inactive for domestic reasons has steadily declined from 62 per cent in 1985 to 52 per cent in spring 1995.

Having a dependent child under

the age of 16 is a major factor in whether or not a woman is economically active. Evidence also suggests that it is the age of the youngest child rather than the number of children that is the most significant factor. Forty per cent of working-age women had dependent children under 16.

Economic activity rates are lowest for younger mothers with children aged 0-4 and highest for older mothers whose youngest child is 11-15. The activity rates range from 35 per cent for mothers aged 16-24 with youngest child 0-4 to 80 per cent for mothers aged 40-49 with youngest child aged 11-15.

This continuing rise in the proportion of women with children entering the labour market comes together with increasing attacks on the welfare state. Capital wants to maintain, even increase, the proportion of women in employment, but at the same time slash the welfare system which has structured the post-war massive rise in women's labour market participation in Britain. This is behind the drive for increasing part-time and 'flexible'

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'Women are continuing to enter the labour market but class divisions among women are growing.'

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work; to allow a new — for women much worse — fit between employment and domestic labour.

Statistics indicate that more than three quarters of a million (almost 8 per cent) of women workers reported that their job was not permanent. Temporary jobs (fixed term contracts, agency temping or casual work) have increased 21 per cent over the ten year period.

The survey looks at the combined effects of higher qualification and family status on the economic activity rates of women. A higher proportion of women with dependent children than without have no formal qualifications. This proportion increases with age of the youngest child: 19 per cent of women with a youngest child aged 0-4; 24 per cent of those with a youngest child aged 5-10 and 28 per cent with a youngest child aged 11-15.

The highest economic activity rates are for women with higher qualifications, whether they have

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‘Women  
are a  
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children or not. Eighty-two per cent of highly qualified women were economically active in spring 1995 compared with 47 per cent of those without qualifications.

The effect of qualifications is most marked among women with pre-school age children where 30 per cent of unqualified women were economically active compared with 73 per cent of highly qualified women.

Men in employment are divided equally between manual and non-manual work but 7 out of 10 women are employed in non-manual occupations. Eighty-five per cent of women were employed in service industries and about 15 per cent work in manufacturing and construction industries.

These figures show women to be a *permanent* feature of the labour market. However, the attacks on the welfare state, combined with direct attacks on the conditions of women workers, is having a differentiated impact — deepening a class division among women, with a majority of women facing an intensification of the double burden of domestic labour and paid employment.

Two broad layers — albeit with any number of gradations in-between — are evident. On one hand is a majority of women with few or no qualifications, often with young dependent children, who are forced into low paid, low status part-time work or fixed contract/‘flexible’ work. On the other hand a layer of women in relatively well paid secure work, with higher qualifications, and who in many cases do not have children. The lat-

ter are still able to reap the rewards of the structural changes in European society in the last fifty years — specifically via the creation of the welfare state — and the political gains of the women’s movement.

This is the economic basis of the political division within feminism and between women in the labour movement, between the layer of bourgeois feminists heading up a backlash on feminism — in the form of Barbara Follett, Harriet Harman, Patricia Hewitt — and the majority of women. A recent contribution to the assault on women, and on feminism, was provided by sociology professor Catherine Hakim who interprets the economic division in women’s employment as a subjective choice with those women ‘concentrated in lower grade and lower paid jobs’ being ‘perfectly happy’. The political conclusions of this line of argument include that it is a myth that the lack of childcare is a barrier to women’s employment and a myth that women are not less reliable workers than men (‘Five feminist myths of women’s employment’, *British Journal of Sociology*, September 1995).

**T**he feminist gloss that has been attached to much of the attack on women will ultimately be incapable of disguising its real content. Critical for the interests of women, however, is also to dispel any political disorientation within feminism as rapidly as possible.

**By Julie Evans**

## Self-organisation wins in LCLGR

The last two AGMs of the Labour Campaign for Lesbian and Gay Rights (LCLGR) have seen an attempt, led by *Workers Liberty (Socialist Organiser)*, to change the name and nature of the campaign to refer to bisexual rights. While this is indicative of a broader right-wing shift within lesbian and gay politics, this attack on lesbian and gay self-organisation has come to the fore *now* in LCLGR against a background of a lack of political focus and campaigning initiative.

**L**CLGR last played a leading role in a mass campaign in 1987/88 during the campaign against Clause 28. Since then the campaign has suffered from being increasingly out of touch with the lesbian and gay community’s pri-

orities. One example of this was the LCLGR-led discussion at the 1994 Labour Party conference, which was on ‘family values’. The LCLGR model resolution failed to mention the issue of an equal age of consent, although the conference

directly followed the vote on the age of consent in parliament and the mass lesbian and gay mobilisations for equality. The lesbian and gay community had been incensed by Labour MPs voting against equalising the age of consent.

This situation was repeated recently in the vote on the Armed Services Bill to allow lesbians and gay men to serve in the military. Blair’s refusal to impose a whip despite a Tory three-line whip to vote against the proposal resulted in eight Labour MPs voting against the bill and Blair himself abstaining.





LCLGR had no campaign to take up the Labour Party's refusal to impose a whip and the issue was virtually non-existent at the campaign's AGM, held days after the vote. Press coverage in the *Pink Paper* revealed the Stonewall organisation as far more radical, saying 'the Labour members of the Armed Forces Select Committee let us down badly. Dr John Reid, in particular, who is sponsored by the TGWU, spoke and voted strongly against equality. We need serious clarification from the Labour Party' (17 May 1996).

The same issue of the *Pink Paper* reported on LCLGR's launch of their *Manifesto for Lesbian and Gay Equality* 'to a chorus of indifference from the party's leadership'.

A further example was that despite a significant mobilisation of lesbian and gay organisations for the demonstrations against the Asylum and Immigration Bill, the campaign failed to attend any of the marches.

This context of political detachment and declining membership was the background to the attempts to change the constitution to make the campaign one for lesbian, gay and bisexual rights, and the growing influence in the campaign of *Workers Liberty*, notorious on the left for its economism and vehement opposition to self-organisation. Their proposal was to delete lesbian and gay rights in the constitution and insert 'lesbian, gay and bisexual rights', and to add 'bisexual' wherever there was reference to 'lesbian and gay'. LCLGR would change its name accordingly.

*Workers Liberty* mobilised heavily for the AGM with the sole aim of pushing these changes through.

This debate on bisexuality and bisexual rights brings up issues around oppression, identity and self-organisation, and the political basis of a campaign for lesbian and gay rights.

There is no specific discrimina-

tory legislation against bisexuality. The discrimination that those who identify as bisexual face is from anti-lesbian and gay legislation. Discriminatory laws and legalised practices — the age of consent, Section 28, access to IVF treatment, immigration laws, child custody — are all framed in relation to lesbians and gay men or lesbian and gay sexuality and identity. There is no legislation against bisexuality as such. Therefore to demand 'bisexual rights' is nonsensical. Bisexuals are oppressed because of their lesbian or gay relationships.

At the AGM the issue of self-organisation for lesbians and gay men was not addressed by those in favour of the change. Instead, supporters resorted to arguments such as — claiming that bisexuals faced oppression from homophobic society and from the lesbian and gay community jointly. This liberal argument failed to take account of the fact that discrimination is rooted in power: homophobia has a real effect because it is backed up by the law and institutions of society.

The issue at the LCLGR AGM was not of exclusion of bisexuals from the campaign. It was about who would form the political leadership of the campaign.

Anyone who is in the Labour Party or a trade union has the right to be a member of LCLGR — whatever their sexuality. Equally, lesbians, gay men and those who self-identify as bisexuals have the right to define their own sexual identity. However, at present only those who self-identify as lesbian and gay have full rights to determine policy and represent LCLGR. If the proposals for changing the constitution had been passed, the result would have been lesbians and gay men losing their right to an autonomous campaign fighting for their rights.

*Workers Liberty's* opposition to

the right of lesbians and gay men to determine the political direction of LCLGR is in line with their views on women's self-organisation: they opposed the creation of a full-time National Union of Students women's officer elected by women's conference, counterposing a post of 'Vice President Women' to be elected by a mixed conference. They have consistently opposed black self-organisation — refusing to support the National Assembly Against Racism, for example, and not supporting the campaign for a Black Officer in NUS.

The defeat of the attack on lesbian and gay self-organisation at the last two conferences indicates that lesbians and gay men in the labour movement want to retain LCLGR as a coherent campaign with a specific goal — for lesbian and gay rights. Obviously such a campaign would not only benefit the lesbian and gay community, but any gain for lesbian and gay rights would also benefit those who self-identify as bisexual.

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'The defeat of the attack on lesbian and gay self-organisation indicates that lesbians and gay men want to retain LCLGR as a coherent campaign with a specific goal — lesbian and gay rights'

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The task now facing LCLGR is to define its political profile in the current situation where the Blair leadership of the Labour Party is already backsliding on the party's commitment to lesbian and gay equality. This requires an active and strong campaign inside the Labour Party for lesbian and gay rights. This, in turn, requires involving the broadest forces fighting for lesbian and gay equality and liberation. How to achieve this is what LCLGR should turn its attentions to, not divisive attacks on the campaign's political focus and unity from within, but outwards to the fight against homophobia and for equality.

This will require actively linking up with the other lesbian and gay campaigning organisations, with the serious pressure groups of the Labour left, and working to fully involve in LCLGR the lesbian and gay self-organised groups in the trade unions, where opposition — for example in unions such as UNISON — to any Labour retreat on lesbian and gay rights is strong.

Such an approach can see LCLGR grow beyond its present small membership. Without such an orientation aimed at placing the maximum pressure on the Labour Party, there is little prospect of Labour delivering even the most modest lesbian and gay rights.

**By Rachel Garvey**

# Rising opposition to welfare cuts on road to 1999

The approach of the January 1999 deadline for European monetary union (EMU) imposed by the Treaty of Maastricht is starting to provoke social and political crises across the European Union (EU). This is no accident. Although the Treaty proclaims its purpose to be economic and monetary union, it in fact sets a framework to begin dismantling the welfare state in western Europe. The fact that the majority leadership of the European labour movement have not grasped this fact disarms them in the face of the greatest attack on the working class in western Europe since the second world war.

**S**imply to meet the criteria for participation in the single currency, in particular the Treaty of Maastricht's ceiling of 60 per cent of gross domestic product (GDP) on total public debt and 3 per cent of GDP on government budget deficits (the difference between a government's spending and income), requires savage cuts in public spending over the next year in every major European Union state.

The cuts will have to be all the more severe, because the preparation for monetary union is taking place in the context of a sharp fall in the rate of economic growth in western Europe. Economic growth was virtually at a standstill in the first half of this year. In April the European Commission was forced to cut its growth forecast for 1996 from 2.6 per cent to 1.5 per cent.

The European Commission, along with the International Monetary Fund (IMF) and the Organisation of Economic Cooperation and Development (OECD), completely over-estimated the strength of the economic recovery in western Europe because they misunderstand the dynamic of the international capitalist economy. The reality is that economic growth in the United States does not act as a locomotive for the international capitalist economy but, on the contrary, now takes place at the expense of its imperialist rivals. This is because, when it is growing, the US economy does not cover its investment requirements from its own resources. Instead, it draws on capi-

tal from the rest of the world.

At the same time, the faltering beginnings of a revival in the Japanese economy—generated by ultra-low interest rates and, ironically, a massive Keynesian-style increase in public spending — mean that the main source of surplus capital in the world economy is being sharply reduced.

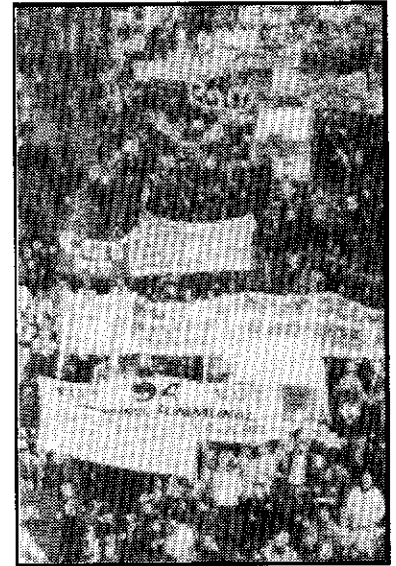
The result is that the economic recovery in the US has re-created a shortage of capital in the world economy. With demand for capital increasing, and supply falling, the result has been rising long term international interest rates since the beginning of 1996. European states, led by the Bundesbank, have been cutting *short term* interest rates to try to maintain economic growth prior to the deadline for EMU. But, due to the international shortage of capital, *long term* interest rates, which are determined by international bond markets not governments or central banks, have continued to rise and these have a far greater effect on investment and economic growth. The consequence is the sharp reduction in economic growth in the European Union.

By reducing governments' tax revenues, and increasing social security outlays, the slow-down in economic growth increases budget deficits—making the attempt to meet the Maastricht convergence conditions more difficult and more painful. Furthermore, by cutting public spending just as the European economies are slowing down, it threatens to renew the recession and create a deflationary downward

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'Maastricht's timetable for monetary union is in serious jeopardy with the IMF predicting that neither Germany nor France will qualify'

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spiral of still slower economic growth and still larger budget deficits. That is the straight-jacket in which Maastricht has trapped the European economies.

This is tacitly acknowledged by the main international capitalist think-tank, the OECD, whose Secretary General, Jean-Claude Paye, in May this year: 'admitted that continuing efforts to cut deficits to meet the Maastricht convergence criteria could strangle growth to such an extent that deficits could end up higher... Kumi Shigehara, chief economist at the OECD, said that the latest forecasts [for economic growth—ed] take no account of a new fiscal package announced by Helmut Kohl which will drain another DM70bn from its already struggling economy. Nor do they incorporate a pledge by Alain Juppe of further stringent spending cuts.' (*Times* 21 May 1996)

In January 1996, the European Commission estimated that the public debt of the European Union in 1995 would reach a record level of 71 per cent of GDP — well above the Maastricht ceiling. At the same time only three countries had budget deficits within the limits set by Maastricht. These were Luxembourg, Ireland and Denmark—representing just 2.6 per cent of the



European Union's population. Even so, in 1995, Denmark and Ireland had public debts of 71.9 per cent and 85 per cent of GDP respectively, only squeaking through because the European Commission judged them to be falling sufficiently rapidly to qualify.

As a result Maastricht's timetable for monetary union is in serious jeopardy with the IMF predicting that neither Germany nor France will qualify — which would render the project inoperable. Even if France and Germany are able to force through spending cuts on the necessary scale, it is already certain that Italy, Portugal, Spain, Britain, Greece and Sweden will be excluded — sharply dividing the Union between the 'ins' and the 'outs'.

In theory it would be possible to reduce an 'excessive' deficit by either cutting public spending or raising taxes or both. But, in practice, the Maastricht strategy is oriented to *cutting* spending.

Thus the economic policy guidelines adopted by the Council of the European Union in July 1995, in accordance with Article 103(2) of the Treaty, state: 'A sound fiscal position is a positive supply factor as it opens the possibility for tax reductions... In many countries, restraining expenditure increases should be the preferred approach since, apart from their impact on employment, there are undoubtedly limits to higher taxation and social charges.... Furthermore additional progress is necessary in reinforcing competition rules, reducing state aid, and reducing the role of the public sector.' The guidelines demand reductions in budget deficits in Greece, Sweden, Belgium, Spain, Portugal, Austria, France, Denmark, the Netherlands and Britain.

With regard to wages, the report's approach is equally clear: 'In many member states there is a need for stronger differentiation of wages by sectors, geographical areas and qualifications.'

**I**t is ironical that the same EU guidelines, effectively demanding massive cuts in public spending, contain an annex by the 'social partners', including the European TUC, entitled 'The social partners' guidelines of 16 May 1995 for turning recovery into a sustained and job-creating growth process'. This accepts the necessity of cutting budget deficits but complains: 'that their [the social partners—ed] previous opinions on the macroeconomic situation were not

given sufficient attention by member states... They remain convinced that social dialogue can make an important contribution to achieving the lined objectives of the White Paper.'

Indeed, the European Union takes great trouble to seduce the trade union bureaucracies with the facade of 'social partnership' because their commitment to the goals of the Treaty of Maastricht then renders incoherent their opposition to the welfare and job cuts necessary to implement it.

Thus the push for massive public spending cuts has been accompanied by intensive efforts to court the trade unions—not to ameliorate the cuts but to neutralise opposition to them. In the first week in May, for example, Commission President Santer hosted a conference including the trade unions on a 'Confidence Pact for Jobs'. This was accurately reported by the *Wall Street Journal* as agreeing: 'only pious pleas for ending Europe's crisis... Mr Santer himself admitted as much, stating the purpose of the grand gathering was merely to send a "message that the EU cares about unemployment." The EU may not be able to carry the ball, he was effectively saying, but we can at least cheer from the sidelines. Surely the more than 18 million unemployed workers in Europe didn't need to hear that again. If jobs were created with "White" papers, Europe would have full employment by now. Since the 1992-93 recession put 4.5 million out of work in EU member states, the EU has steadily commissioned more studies.' (8 May 1996)

The real state of affairs was clarified scarcely more than a week later, when presenting the European Commission's forecasts on economic growth and the prospects for monetary union, Yves-Thibault de Silguy, the EU's monetary affairs commissioner warned that trade union and political opposition to deeper welfare cuts must be defeated: 'Unless member states take these measures we will have a very negative reaction from the markets... If progress towards sounder public finances and structural reform were to be hampered by rising social and political resistance, this... might add to doubts among some observers as to whether a sufficient number of member states would be ready to participate in Emu at the starting date.'

As the *Financial Times* put it on 16 May: 'The Commission's eco-

nomic policy guidelines, while calling for social dialogue with the trade unions, also warned that emu could be threatened if EU member give in to social pressures.'

Similarly, the German and French governments prepared the way for their current austerity programmes by intensive efforts to win over the trade union leaderships — because, with European social democracy firmly in support of the Maastricht Treaty, the trade unions constitute the main line of resistance. The biggest welfare cuts in decades in Germany were preceded by an 'action programme for jobs and investment'. The Belgian government's decision to rule on budget cuts by decree followed the decision by two major trade unions to reject a wage restraint pact which had been inspired both by the call by Jacques Santer for a Europe-wide employment pact, and by Germany's efforts to create a tripartite 'alliance for jobs'. Thus the 'social partnership' ceases to operate when the trade unions oppose cuts in their members' living standards.

In fact, the effects of the social chapter and all of the declarations in favour of 'dialogue' between 'social partners' pale into insignificance beside the scale of the attack being launched against the welfare state. Yet, it is this type of initiatives which has seduced the TUC into its fervent support for EMU—failing to explain how it will convince its members to accept the more than 2 per cent of GDP public spending cuts that would be necessary for Britain to meet the convergence criteria.

**T**he first wave of welfare cuts has already taken place. This was described by *The Economist* as cuts by 'stealth'. The next round promises to be a frontal assault.

Reviewing the EU's progress in rolling back the welfare state in August 1995, *The Economist* noted: 'The change has been managed in three ways. One has been to restrict claims by attaching additional conditions to benefits that used to be more or less automatic. Workfare is an example of this... Holland and Belgium now cut income support if recipients refuse to accept training, do not seek work or turn down a job. Germany is considering cutting payments to the unemployed by a quarter if they refuse jobs offered to them.... Governments have also changed the basic conditions of other benefits, notably pensions.

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'The EU takes great trouble to seduce the trade union bureaucracies because their commitment to the Treaty of Maastricht renders incoherent their opposition to the welfare and jobs cuts necessary to implement it'

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France has increased the number of years one must work to qualify for the maximum state pension. Britain, Germany, Italy, Portugal and Spain have increased the retirement age or plan to do so...

'The second way to rein in spending is to provide universal basic welfare coverage, but to re-define "basic" downwards. Sweden has reduced unemployment benefit... and lowered the basic pension by two percentage points. Finland has trimmed unemployment benefits. Italy's recent pensions reform linked pensions to contributions for the first time. Across the EU, child benefit has been frozen or taxed, pushing its value down by almost a third in real terms since 1989. Spain cut unemployment benefit and restricted benefits for apprentices. Belgium has increased patient's contributions for medical services. Danish pensioners and disabled people now have to pay for certain nursing home services.

'The third and most controversial welfare reform is means-testing... "targeting" in the jargon of the trade. This has gone furthest in Britain, where the proportion of means-tested benefits has doubled since 1978; 34 per cent of all benefit spending is now means-tested... Callous or not, Belgium and Germany have now started to apply an income test to family allowances. In Holland, Norway and Denmark the pension has become partially means-tested. Italy has introduced

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'Every major state which wants to participate in EMU is planning massive cuts in public spending — and that is tearing the EU's social partnership ideology to pieces'

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a sliding scale of fees for child-care, depending on income. The Danes tax income support... Reform has proceeded by stealth, with a means test here, a restriction there. Taken together the piecemeal changes might yet transform the welfare state, because they alter the tacit bargain it was based on. Under the bargain, citizens agreed to high taxes and substantial government intervention; in return they were able to claim an array of universal benefits, easily and as of right. No longer.'

But *The Economist* concludes: 'Whether piecemeal reform by stealth is the best way of transforming the welfare state is doubtful. In the past three years, high level committees in five countries have concluded that it is not... it is hard to see how a welfare state suited to the next century can be created by fiddling with its current incarnation.'

**T**he approach of Maastricht's 1999 monetary union deadline, now provides the basis for the frontal attack. Every one of the major states of the European Union which wants to participate in EMU is planning massive cuts in public spending over the next year — and that is tearing the EU's social partnership ideology to pieces.

The two states whose ability to meet the Maastricht criteria will determine whether or not monetary union takes place are Germany and France.

In Germany, with the highest level of unemployment since the war; Chancellor Helmut Kohl's government last year ran a budget deficit of 3.5 per cent of GDP and that may reach 4 per cent this year. Germany's total public debt reached 58.1 per cent of GDP in 1995 and will exceed the Maastricht limit of 60 per cent in the current year. As a result, Germany has been categorised by the European Commission as a country running an 'excessive' budget deficit — making it ineligible for monetary union.

On that basis Helmut Kohl has proposed the biggest cuts in public spending for decades: cutting unemployment benefit, sick pay, health-care, child benefits and holiday pay; raising the age of retirement; freezing public sector pay for two years; and removing legal employment protection for workers in companies employing 10 or fewer people — that is 80 per cent of German companies. At the same time, Kohl proposes the abolition of a tax

on capital, the reduction of a tax on profits and the future abolition of a 'wealth tax' on business.

*The Economist* commented: "'Socially obscene"; "the destruction of the welfare state". With such fine phrases, German trade unionists heaped abuse on the spending cuts and labour-market reforms that their government proposed on April 26th. However misguided, these opponents of change were at least right in recognising the significance of the package: if implemented, it could prove a turning point for Germany. The proposals, which aim to chop total public spending by 2 per cent of GDP next year, would be the country's biggest spending cuts for decades. The significance of the reforms, moreover, lies not just in their scope but in the manner of their introduction: the government now seems willing to push ahead despite howls of protests from the unions.' (4 May)

In essence, German capital, having conquered east Germany, is now using German unification and the hinterland it has created in eastern Europe to force down the direct and indirect income of the working class in Germany. If it is successful, then the power of the Germany economy will impose, via the mechanism of capitalist competition, even deeper cuts in welfare spending and wage levels in the weaker economies of the European Union. That is why every worker in Europe has a direct stake in a successful resistance to Kohl's offensive by the German working class.

The austerity package and pay freeze has been met with a rash of strikes and demonstrations—350,000 trade unionists demonstrated in Bonn on 15 June in one of Germany's biggest demonstrations since the second world war.

France's budget deficit was 5 per cent of GDP in 1995 and the OECD, despite efforts by the French government to persuade it to massage the figures, predicts that it will be 4.2 per cent of GDP in 1996. Forecast economic growth has been cut by half to 1.3 per cent for 1996. French unemployment has remained above 10 per cent for more than a decade as a result of successive governments' policy of tying the exchange rate of the Franc to the D-mark. To qualify for EMU the government is calling for spending cuts which it describes as 'on a scale never seen before' — £7-8 billion over the next 18 months.

Once again the French trade un-



ions — with the exception of the leadership of the CFDT, which is closest to the pro-Maastricht Socialist Party — have started cycle of demonstrations and strikes against the cuts. The outcome of this battle will determine whether monetary union is effectively limited to simply the German economy and its immediate periphery or whether, by including France, it is able to dictate terms to the whole of the European Union.

A second tier — Italy, Greece, Sweden, and probably Spain and Portugal — is constituted by those states for which the level of cuts necessary to comply with the Maastricht timetable are simply not politically feasible.

Italy, for example, had a budget deficit of 7.4 per cent of GDP and total debt of 125 per cent of GDP in 1995. The new Olive Tree alliance government's declared policy of attempting to bring these into line with the Maastricht criteria will, if implemented, destroy the government's support and give the strongest possible boost to the neo-fascist National Alliance in the south and the Northern Leagues in the north. Maastricht risks tearing Italy apart between the north which is one of the EU's richest regions and the south which depends on public spending transfers for its living standards.

Spain, where unemployment stood at 22.7 per cent in 1995, had a budget last year of 5.8 per cent of GDP. Economic growth forecasts for 1996 have been cut from 3.3 per cent to 2.3 per cent. The Spanish government has announced a first round of £1bn spending cuts with more to come.

An intermediate position is occupied by states which will attempt to meet the Maastricht criteria but may well fail to do so. Belgium, for example, had a budget deficit last year of 3.2 per cent of GDP, but its government gross debt stood at more than 134 per cent of GDP in 1995 — more than double the Maastricht limit. In attempting to qualify for monetary union the Belgian government has been given special powers to rule on the budget by decree.

For Britain, participation in EMU by 1999 is ruled out because it would split the Tory Party — not least because the cuts it would require would result in the worst general election defeat in its history. Nonetheless, for the most powerful sections of British capital, a sub-



stantial minority of the Tory Party, the Liberal Democrats, and the Blair leadership of the Labour Party, participation in the single currency is the only strategy they have for the British economy. Powerful capitalist forces are therefore at work to bring these together through a reorganisation of the political party system, the adoption of proportional representation, designed to reduce both the labour movement and the right wing opponents of EMU to permanent minorities in parliament.

**S**ome sections of the trade union bureaucracy, notably the TUC leadership, have accepted the argument that compliance with the Maastricht criteria — interpreted, they hope, flexibly — is a necessary evil, compared with the greater evil of being placed outside a single currency.

But in reality, even if the first hurdle of meeting the convergence criteria is cleared — which will depend upon defeating the trade union opposition to welfare cuts in France and Germany — the consequences of the creation of a single currency under the terms of the Maastricht Treaty would be to lock into place far more powerful mechanisms to accelerate the process of eliminating the welfare state. Most importantly these include massive fines to enforce the con-

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'The most misguided illusion in monetary union is that it will result in a homogenisation of living standards and welfare provision across the EU'

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vergence criteria on member states and the supremacy of the European Central Bank (ECB) over monetary policy. Together with the effects of fixing exchange rates, these provisions of the Treaty of Maastricht are designed to prevent the population of western Europe from using the institutions of bourgeois democracy — national parliaments and the European parliament — to defend the welfare state or living standards.

The Treaty specifies that by a weighted majority of two thirds, excluding the country affected, the Council of Europe can 'impose fines of an appropriate size' to force a state to cut its budget deficit or government debt. Germany has proposed a 'stability pact' which would require for each 1 per cent of budget deficit in excess of the Maastricht criteria, offending countries be required to deposit 0.25 per cent of their GDP with the European Union. This would be turned into a fine if the deficit were not reduced to within the Maastricht limits within two years. Germany also proposes that public deficits for participating states be limited to just one per cent of GDP in 'normal' periods.

Detailed discussions are already under way to design the mechanisms of surveillance of member states' economies to enforce these proposals — including the possibility that states might have to submit details of their budgets for approval

to the EU prior to consideration by their national parliament.

As regards the European Central Bank, the key to its functioning is that it is legally required by the Treaty of Maastricht to operate on the basis of the overriding goal of *price stability* — irrespective of the consequences for employment, the welfare state, living standards or economic growth. To enforce this, it is to be unelected, unaccountable and both national governments and the European Union institutions are specifically required not to try to influence its decisions.

Furthermore, each participant in the single currency is required to make its own central bank independent and subordinate to the European Central Bank. The Treaty specifically states: 'When exercising the powers and carrying out the tasks and duties conferred upon them by this Treaty and the Statute of the European System of Central Banks, neither the ECB, nor a national central bank, nor any member of their decision making bodies shall seek to take instructions from Community institutions or bodies, from any government of a member state, or from any other body. The Community institutions and bodies and the governments of the member states undertake to respect this principle and not to seek to influence the members of the decision making bodies of the ECB or of the national central banks in the performance of their tasks.'

Furthermore: 'The national central banks are an integral part of the ECSB and shall act in accordance with the guidelines and instructions of the ECB.'

To enforce these provisions, the members of the executive board of the European Central Bank are to be appointed for a term of eight years which is not renewable, and those of the national central banks of a governor of a national central bank be for five years and not renewable.

**F**inally, the most misguided illusion in monetary union is that it will result in a homogenisation of living standards and welfare provision across the European Union. In fact, the opposite is the case. The European Union is not made up of equal partners but of a hierarchy of states with the united Germany at the apex. Until German unification, the basis of the cohesion of the European Community was a deal whereby Germany subsidised the

community, with by far the largest net contribution to EC funds, in exchange for a system of virtually fixed exchange rates — the European Exchange Rate Mechanism (ERM) which prevented competitive devaluations by the weaker economies undermining German exports.

This 'deal' broke down after German unification because Germany was strong enough to dispense with it. Following unification Germany pursued economic policies, in particular high interest rates, geared virtually exclusively to its own domestic concerns — absorbing east Germany. That threw the rest of the European Union into recession and ultimately destroyed the Exchange Rate Mechanism in all but name. The weaker economies were forced to carry out large devaluations in order to avoid an even deeper recession. Between 1991 and April 1995, the basis of economic growth in a series of EU states has been a 33.9 per cent devaluation by Italy, 25 per cent by Greece, 22.8 per cent by Sweden, 22.1 per cent by Spain, 15.6 per cent by Britain, 12.6 per cent by Finland, 6.2 per cent by Portugal and 3.5 per cent by Ireland. These devaluations have severely affected French and Germany industry whose currencies appreciated over the same period by 10.4 per cent and 13.4 per cent respectively.

That is why French and Germany industrialists are uncompromising in their demands both for monetary union and for a mechanism to ensure that currencies which do not take part are prevented from continuing to devalue against the single currency.

The terms of the Maastricht Treaty codify the new relationship of forces between Germany and the rest of the EU by ensuring, on the one hand, that devaluations against the D-mark are ruled out, while, on the other hand, German subsidies to the weaker EU economies are cut by the convergence criteria on public debt.

France and Germany also propose that the exchange rates of states *outside* the single currency are pegged against it in a new version of the Exchange Rate Mechanism. France is demanding that European Union structural funds be paid in national currencies so that their value would be reduced by devaluation. French industrialists have gone further by calling for

trade sanctions against devaluing states — a step which would destroy the European Union's single market.

Thus, monetary union would lock the weaker EU economies into a system within which they cannot compete with Germany at existing exchange rates, cannot fund the social outlays which the resulting higher unemployment will pose, and therefore have to dismantle their welfare states even further — creating permanently depressed regions and entire countries and enormous political tensions.

At the same time, it would create a split within the European Union between the 'ins' and the 'outs' with the threat that the Union itself might break up under the strain of the ensuing tensions — which are constantly exacerbated by the external pressure of Japan and the United States.

**T**his entire course should be opposed, not because it infringes British sovereignty, which ceased being progressive more than 300 years ago, but because it is the most significant attack on the living standards of the west European working class since the second world war. The European workers movement should reject both the assault on the welfare state codified in the Treaty of Maastricht, and, the equally reactionary 'national' projects for defeating the working class by such forces as the Tory Euro-sceptic right or the French Gaullist right. The Treaty of Maastricht is an attack on the entire working class of Europe. Its defeat requires, not subordination to any section of capital, whether 'national' or 'European', but an independent and international solidarity of the working class movement in defence of the welfare state.

European capital is organising to contain and defeat such working class resistance not merely on the level of individual states, but that of the European Union as whole. It is at that level too, that working class opposition to Maastricht should be organised, including by understanding that every blow struck in defence of the welfare state by the workers of France or Germany, will make a difference to the living standards of the entire European working class.

**By Geoffrey Owen**

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**'Monetary union would lock the weaker economies into a system within which they cannot compete with Germany... creating permanently depressed regions'**

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# The left and European Monetary Union

The social explosion in France at the end of last year, and the new wave of cuts in public spending planned in Germany, France, Spain, Belgium and other states, show the contradictions in which those on the left who supported the Treaty of Maastricht now find themselves. They endorse the very agreement which is co-ordinating the attacks on the welfare state on a European Union wide level and, in doing so, place themselves on a collision course with every section of the European labour movement acting to defend the welfare state.

**W**ithin the labour movement, the most sophisticated arguments in support of European Monetary Union stress, quite correctly, that the international character of the productive forces (globalisation) requires an international strategy of the working class, that neither 'capitalism in one country' nor 'socialism in one country' provide a workable strategy in the context of the capitalist world market. As Perry Anderson puts it: 'Purely national strategies are vanishing for every part of the political spectrum.' Anderson points out that, over the last two decades, the labour movement has lagged far behind capital in the necessary international organisation of forces: 'The new reality is a massive asymmetry between the international mobility and organisation of capital, and the dispersal and segmentation of labour, that has no historical precedent. The globalisation of capitalism has not drawn the resistances to it together, but scattered and out-flanked them... the future belongs to the set of forces that are overtaking the nation-state. So far they have been captured or driven by capital — as in the past fifty years, internationalism has changed sides. So long as the left fails to win back the initiative here, the current system will be secure.'<sup>1</sup>

Indeed, the greatest strength of capitalism since the end of the post-war boom has been its ability to continue to hold together an international capitalist system in conditions of increased inter-imperialist competition. This contrasts with the period of breakdown of the world

capitalist market between 1914 and 1945, but it is extremely fragile — depending upon other capitalist powers tolerating enormous outflows of capital into the United States, the lynchpin of this system. This capital outflow has amounted to \$1 trillion since 1980.

The moves towards regional blocs in Europe, East Asia and North America are signs of increasing strain in this world capitalist system. They indicate that, left to itself — that is were the working class to acquiesce in it — the attempt to recreate the pre-1914 system of imperialism will ultimately lead to a new outbreak of inter-imperialist conflict and blood-letting on a still greater scale than that from 1914 to 1945. This is because, while capitalism creates a world economy and division of labour, capitalist political power resides in individual states. While these may agree to divide up their influence in the world, such 'agreements' are on the basis on relative strength and, as relative strength changes, the division of the world must be reorganised to reflect those changes — generally with extreme violence.

The way out of this contradiction, which produced the inter-imperialist wars of the twentieth century, is represented in the existence of an international class — the proletariat, whose interests are *international*. The extraordinary genius of Marx was to understand and point this out 150 years ago. The international extension of the social division of labour in the capitalist world market and the purely national political framework of the bourgeois nation-state constitutes

***'The completion of the socialist revolution within national limits is unthinkable. One of the basic reasons for the crisis in bourgeois society is the fact that the productive forces created by it can no longer be reconciled with the framework of the national state. From this follow, on the one hand, imperialist wars, on the other, the utopia of a bourgeois United States of Europe. The socialist revolution begins on the national arena, it unfolds on the international arena, and is completed on the world arena. Thus, the socialist revolution becomes a permanent revolution in a newer and broader sense of the word; it attains completion only in the final victory of the new society on our entire planet.'***

Trotsky



one of the fundamental contradictions of capitalism. As the *Communist Manifesto* explained: 'Modern industry has established the world market' and that 'The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere.'<sup>12</sup> Marx's analysis has stood the test of time because it so accurately understood the reality of the dynamic of capitalist economic relations.

Thus the most famous call of Marx and Engels in the *Communist Manifesto* — 'Workers of the World Unite' — was not a flight of rhetoric, but expressed the material reality of the proletariat: an international class in the emerging world capitalist economy.

Or as Trotsky expressed the same point: 'Internationalism is not an abstract principle but the expression of an economic fact. Just as liberalism was national, so socialism is international. Starting from the worldwide division of labour, the task of socialism is to carry the international exchange of goods and services to its highest development.'<sup>13</sup>

It was on this basis — a recognition of what the working class *is* — that Marxists, starting with Marx, not only stood for, but very practically created, simultaneously *international*, as well as *national*, political organisations of the working class. Thus Marx and Engels created the First International in 1864, Engels and Eleanor Marx helped to create the Second International in 1889, Lenin, Trotsky and Luxemburg the Third International in 1919 and Trotsky the Fourth International in 1938. Whatever the subsequent fate of each of the organisations, they expressed in their creation the attempt to bring the political consciousness and organisation of the working class into line with its world existence. For Marx, Engels, Lenin and Trotsky, Rosa Luxemburg and Eleanor Marx, defence of the interests of the working class was inconceivable on a purely national basis.

This reality was brought home with immense force by the world wars of the twentieth century. As Trotsky, for example, explained: 'On August 4, 1914, the death knell sounded for national programs for all time. The revolutionary party of the proletariat can base itself only upon an international program cor-

responding to the character of the present epoch, the epoch of the highest development and collapse of capitalism. An international communist program is in no case the sum total of national programs or an amalgam of their common features. The international program must proceed directly from an analysis of the conditions and tendencies of world economy and of the world political system taken as a whole in all its connections and contradictions, that is, with the mutually antagonistic interdependence of its separate parts. In the present epoch, to a much larger extent than in the past, the national orientation of the proletariat must and can flow only from a world orientation and not vice versa. Herein lies the basic and primary difference between communist internationalism and all varieties of national socialism.'<sup>14</sup>

It is because, Trotsky argued, 'Imperialism links up incomparably more rapidly and more deeply the individual national and continental units into a single entity, bringing them into the closest and most vital dependence upon each other', that 'A programme of the international party of the proletariat can be built only if world economy, which dominates its separate parts, is taken as the point of departure.'<sup>15</sup>

**T**he attempt to revert to a national perspective for socialist strategy was an expression of the *degeneration* of the socialist movement. It was the basis on which the parties of the Second International subordinated the international interests of the working class to their own imperialist bourgeoisies in the carnage of the First World War. Just as national socialism destroyed the Second International, so too the Comintern lost its reason for existence and was politically destroyed and then organisationally dissolved on the basis of Stalin's strategy of socialism in *one* country.

In the same way, today the socialist alternative to the European Union's plans to dismantle the welfare state is not to be found among those who argue from the point of view of defence of 'British sovereignty'. This amounts to a proposal to subordinate the labour movement to British capital. The Campaign Against Euro Federalism, for example, advocates a bloc with the Tory Euro-sceptics and anti-European sections of capital against the EU. The formerly Maoist CPB (ML) takes this argument to its logical

conclusion and opposes the EU on this basis because: 'Britain is today, and has been for nearly a thousand years, a sovereign country...no foreign power has held sway here'. Therefore 'To assert and fight for the sovereignty of Britain should be as natural to workers as joining a trade union.'<sup>16</sup>

In reality, Britain has not been a 'national' state for more than 300 years. The sovereignty for which the Tory Eurosceptics, for example, hanker is that of a rapacious imperialist power, which until 1914 was dominant in the world and whose sovereignty was a prison for hundreds of millions of colonial subjects. Latterly, since 1945, these global pretensions were maintained through a junior partnership with the US. Any attempt to reconstruct such 'British sovereignty' is a reactionary dead end.

This approach would, therefore, align the labour movement with sections of British capital that are no less anti-working class than those who see the way forward as part of European capitalist integration. Furthermore, those advocating this course would split the British labour movement from its real allies, those fighting the introduction of capitalism into Russia, against imperialism in the 'Third World' and those defending the welfare state in western Europe.

In opposition to an economic and political strategy beginning at the national level — that of socialism in one country Trotsky explained: 'The completion of the socialist revolution within national limits is unthinkable. One of the basic reasons for the crisis in bourgeois society is the fact that the productive forces created by it can no longer be reconciled with the framework of the national state. From this follow, on the one hand, imperialist wars, on the other, the utopia of a bourgeois United States of Europe. The socialist revolution begins on the national arena, it unfolds on the international arena, and is completed on the world arena. Thus, the socialist revolution becomes a permanent revolution in a newer and broader sense of the word; it attains completion only in the final victory of the new society on our entire planet.'<sup>17</sup>

To reinstate this fundamentally international character of socialist strategy is both to return to the classical positions of Marxism and, more importantly, corresponds to the international character of the

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'Marxists, starting with Marx, not only stood for, but very practically created, simultaneously *international* as well as *national*, political organisations of the working class'

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capitalist economy.

**H**owever, to reaffirm that the only framework for socialist strategy is an international one is not the end of the matter. The working class has to develop and fight for *its own* international perspective, not subordinate itself to *either* the national or international perspectives of any section of capital. Socialists are not neutral or supportive of the international projects of capital. For example, no socialist could support Hitler's plan for a 'new world order' after 1933 or Bush's plan for a 'new world order' after 1989.

Nonetheless much of the labour movement's approach to the European Union moves directly from the, *correct*, premise that it is necessary to start from an international perspective to the, *false*, conclusion that this requires acceptance of the European Union and the Maastricht Treaty.

The European Union is an organisation of international capital, formed, first, to rebuild capital in Europe after World War II and, second, since the mid-1970s, to strengthen European capital to compete against its capitalist rivals, particularly the United States and Japan. Even so, this economic competition is conducted within a strategic framework set by the US — expressed, for example, in NATO.

The view of European social democracy that the labour movement must support the international projects of European big capital — such as the European Union — in order that European capital can compete more successfully against the US and Japan, is merely the transfer of social democracy's subordination to its 'own' national bourgeoisie onto a 'European' level. The TUC puts this very clearly: 'There has been an emerging view in British unions that the future of UK jobs and prosperity depends on the European Union competing effectively in world markets.'

The problem with this is that the only way for European capital to eliminate the relative weaknesses it faces vis a vis Japan and the United States is through crushing blows against the working class and petty-bourgeoisie in Europe. Capital in Europe faces four key disadvantages relative to the US and Japan: the fragmentation of the Europe into a series of small states with correspondingly smaller scales of production and of markets; the strength

of the labour movement in the form of the trade unions, mass social democratic and communist parties; the existence of the welfare state; the existence of a comparatively weighty petty-bourgeoisie and the resulting lower level of productivity in agriculture and services. The Maastricht Treaty seeks to overcome these 'disadvantages' by starting to eliminate the west European welfare state.

Ignoring this reality, European social democracy has come forward today as the most explicit supporters of the Treaty of Maastricht, posing themselves as better able to pursue these goals than the more nationally oriented capitalist parties. Thus, as crisis-ridden European national capitals no longer provided an adequate basis for a social democratic perspective after World War I, it moved first to support US imperialism, and then, with the relative decline of the US, to support the European Union.

In 1914 the social democratic currents in Europe subordinated themselves to their national bourgeoisies in World War I, thus destroying the Second International. From the 1920s to the 1950s European social-democracy orientated itself to US imperialism — as the only capitalist class capable of funding capitalist reform in Europe. This political orientation of social democracy reflected the shifts in power between different sections of the international bourgeoisie. Following the 1914-18 war European capitalism was incapable of regaining political or economic stability without massive support from US capital. After World War II facing an even worse balance of forces, again huge US intervention was necessary to stabilise capitalism in western Europe. The US both militarily saved western Europe at the end of the war — without it the USSR would have crushed Nazi Germany and capitalism in Europe would have been destroyed — and then rebuilt western Europe economically through Marshall Aid and massive US capital investment.

The post-war structure of Europe, with capitalism dependent on US support and the dominance of the USSR in eastern Europe was the material basis of, on the one hand, pro-American, Atlanticist currents within social democracy as well as, on the other hand, strong pro-Soviet currents in the labour movement.

It was the change in the interna-



'Much of the labour movement's approach to the European Union moves directly from the, *correct*, premise that it is necessary to start from an international perspective to the, *false*, conclusion that this requires acceptance of the EU, the Maastricht Treaty and a single currency'

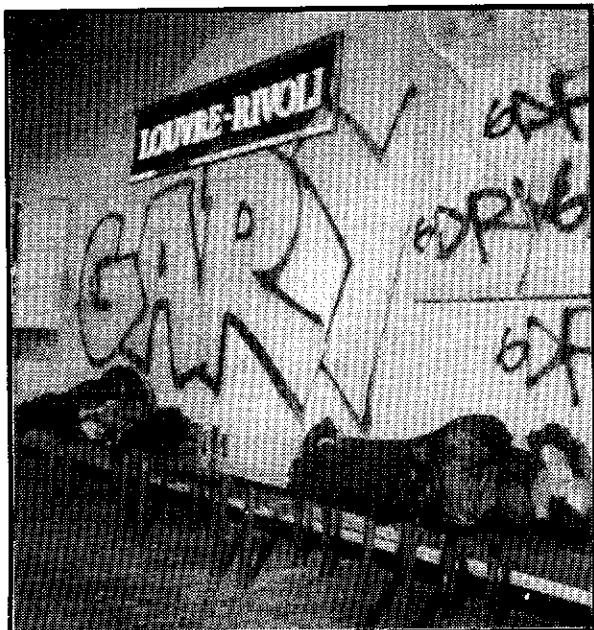
tional role of the United States in relation to Europe from the early 1970s, after the watershed of Vietnam — moving from aiding western European capital to striking blows against the west European economies — that precipitated a change in the political stance of European social democracy, away from looking to US capital as a source of reforms and towards looking to European big capital.

**B**y the end of the 1970s, Atlanticism was on the retreat in the west European labour movement and Euro-socialism in the ascendant. The material basis of Euro-socialism was the role of West Germany as the main pay master of the EU and the main source of the capital which flowed into southern Europe after Spain, Portugal and Greece joined the union.

Over 10 years Euro-socialism rose to dominance, particularly in southern Europe, which benefited from a real redistribution of resources within the EU.

German reunification, however, marked not just the collapse of the regimes in Eastern Europe, but also the death knell of Euro-socialism. For capital, the creation of the welfare state in west Europe after World War Two had been a concession made necessary by a relationship of class forces which made the advance of socialism from east to west a real threat. With the re-introduction of capitalism into Eastern Europe, the threat of socialism receded and with it the necessity of the welfare state. Virtually simultaneous with German reunification, therefore came the first steps to eliminate the welfare state, codified in the Treaty of Maastricht.

European social democracy



found itself acting as the main political backers of a project which no longer gave reformist concessions, but, on the contrary, proposed to dismantle the most important reform won by the West European working class in the last 50 years — the welfare state. Thus German unification and the Maastricht Treaty also inaugurated the decline of Euro-socialism with the Italian, French and Spanish socialists one by one ejected from office.

Tony Blair represents a last gasp of Euro-socialism, made possible by the fact that John Major presided over the first attempt to take Britain into the European Monetary System and continues to pay the electoral price for the recession deepened by it. Blair's sole economic strategy is to participate in EMU. But the political reality since Britain's ejection from the ERM, is that he dare not openly fight for this for fear of losing the general election.

Thus the Labour Party leadership supports monetary union while reserving judgement on *when* Britain should participate — essentially because of fear of the electoral consequences.

The basic position of the Blair team on monetary union and Maastricht are spelt out in *The Blair Revolution* by Peter Mandelson and Roger Liddle. They support a single currency under the terms of Maastricht, the independent European central bank — which would remove key areas of economic policy from parliamentary control in each state and on a European level — and oppose any extension of the powers of the European Par-

liament over the Commission. Mandelson says that if the Eastern European states are allowed to join the EU they should have no representation on the Commission.

Ironically, given the way in which the Social Chapter was used to win TUC and Labour Party support for Maastricht, Blair now says British adherence to the Social Chapter will only be on a 'realistic timetable' for implementing its standards, agreed with industry to avoid loss of competitiveness. The shadow Treasury chief secretary, Andrew Smith, stated to a meeting of Austrian bankers that non-participation in EMU could lead to the 'marginalisation of our economic voice in the world'<sup>9</sup>. It is, of course, inconceivable that statements such as these could be made without the agreement of Blair.

The reason for Blair's relative caution on EMU is illustrated by an opinion poll for the *Guardian*, published on 9 May. Sixty four per cent opposed a single currency, including clear majorities of supporters of *all* political parties: 73 per cent of Conservative, 65 per cent of Liberal Democrats and 57 per cent of Labour.

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'The most ridiculous argument for EMU is that it is necessary to avoid the conditions which gave rise to fascist movements'

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Even the TUC — the most enthusiastic body of the labour movement for the Maastricht Treaty — is forced in its report issued in February this year, *European development and economic and monetary union (EMU)* to acknowledge that: 'The most serious threat to EMU is that it becomes identified with unemployment and recession'. Nonetheless the TUC argues that while the decision to 'join EMU would be a long term decision, probably irrevocable', through it 'Britain would be teamed up with the strongest economies of the EU.'<sup>10</sup>

The TUC concludes that Britain should not miss 'the opportunity... to influence events at the heart of Europe. This would entail the aim of joining Germany, France and other countries in the Premier League of European integration'. In support of EMU, the TUC explains that it will 'be seeking talks with the CBI, the Bank of England, consumers and others to work towards a national consensus on these issues'<sup>11</sup>. To counter the 'problem' that EMU is identified with unemployment and recession — and welfare cuts — the TUC accompanies its stance with advice to the EU: 'progress towards it should be accompanied by vigorous European

wide action to promote growth and employment and to interpret the convergence criteria over the whole cycle.'<sup>12</sup>

Fundamentally, the TUC justifies its support for the Maastricht Treaty by arguing that: 'the European trade union movement...has generally seen EMU as a necessary and legitimate goal in the EU. Underlying the support for EMU is the conviction that European, as opposed to just uncoordinated national, economic management is needed. The increasing economic power of multinational companies in national economic life, the power of currency speculators and, broadly, globalisation, are seen as weakening the effectiveness of national economic decision making. EMU and a single currency for Europe are seen as part of the solution.'<sup>13</sup> In other words, the labour movement must subordinate itself to big European capital and aid it in its competitive struggle with the United States and Japan, even though that means removing those social provisions which distinguish western Europe from its rivals. This contradiction will become more and more explosive for the TUC.

The most ridiculous argument in the document is that EMU is necessary to avoid 'those economic and social conditions that gave rise to fascist movements, which fed on unemployment, fear, insecurity and racism'<sup>14</sup>. On the contrary, it is the 18 million unemployed in the EU and the sustained attack on the welfare state which provide the material basis for the rise of racism. Maastricht will make this *worse* not better. Indeed, the fact that the majority leadership of the west European trade unions and social democratic parties support a process which is impoverishing tens of millions of European workers, farmers and shopkeepers is the single most important political factor allowing the extreme right to advance.

The TUC's perspective emerged even more bluntly in the course of evidence presented to the House of Commons Treasury Committee in April. John Monks explained that the TUC saw 'lots of dangers in being left outside a single currency'. In response to Monks' view that there was room for flexibility and economic expansion within the Maastricht criteria Committee member Diane Abbott said: 'German political opinion and, in particular, the Bundesbank is quite



adamant they will not tolerate softening of the criteria and it has been put to us not just on this visit to Germany but on other visits that if German public opinion believed for a second that the existing criteria were going to be softened then public support for EMU in Germany would drain away. So people can make noises and communiqués until they are blue in the face but the harsh reality is that those are the criteria you are working with, they are not going to be softened.'

In the *Hansard* record, the general secretary of the TUC then made the point: 'what are the consequences of not being in if it goes ahead'. Diane Abbott responded: 'Germany has the highest unemployment since the war, for all of its low interest rates and price stability. I understand the political arguments for European integration. I am a politician. But are you telling me, as general secretary of the TUC, that you think mass unemployment is a price worth paying for European integration.' John Monks replied: 'No'.

Various reflections of the TUC's view that the EU provides a route to respond to increasing 'globalisation' of capitalist production exist on the left. Typical is that of the pro-EU *Workers Liberty* magazine, which argues that since capitalism is everywhere and always attacking the working class, Maastricht is irrelevant. *Workers Liberty* write: 'The Maastricht criteria involve cuts in social spending, but no alien force imposed those cuts on the various European Union governments. They wrote those cuts into a treaty because they all already wanted to impose them.'<sup>15</sup> Yet *Workers Liberty* call for abstaining in any referendum on EMU.

Another pro-Maastricht view is expressed by Tom Sibley who argues in the *Islip Newsletter* that it is possible to meet the Maastricht criteria by 'increasing taxation on the rich and profits, by reducing defence expenditure, and by expanding demand, including social expenditure and activity in the economy' and that the criteria are 'agnostic about levels of public expenditure'. Theoretically this may be true, but the whole Treaty is angled in the opposite direction of cutting public spending, with the evidence clear in the assault on the welfare state taking place across Europe today.

But, argues Sibley, could European governments 'really resist a

concerted mass campaign across Europe for full employment? And would not such a campaign persuade a timid Labour leadership in Britain to work for radical change at home and in Europe?'<sup>16</sup> However, what Sibley does not recognise is that the prerequisite for such a campaign would be rejection of the Maastricht Treaty because it is a monetarist assault on the welfare state aimed at radically shifting the balance of forces between capital and labour. Such an analysis would lead the labour movement to struggle to *prevent* Maastricht proceeding, and would understand that those who had been unable to prevent such a defeat being imposed would not be in a very strong position to reverse its impact.

**P**erry Anderson, former editor of *New Left Review*, is the most sophisticated example of a second broad current in the labour movement, those who harbour no such confusions as to the anti-working class nature of the process of capitalist integration embodied in the Maastricht Treaty, but reserve judgement about what attitude should be taken to it because they believe the EU simultaneously embodies a potentially progressive dynamic, that of a democratic federal Europe capable of funding a social democratic consensus.

Thus Anderson explains in an article in the *London Review of Books* that: 'The core of the Treaty is the commitment on the part of all member states save Britain and Denmark to introduce a single currency, under the authority of a single central bank, by 1999. This means an irreversible move of the EU towards real federation. With it, national governments will lose the right both to issue money and to alter exchange rates, and will only be able to vary rates of interest and public borrowing within very narrow limits, on pain of heavy fines from the Commission if they break central bank directives.... European monetary union spells the end of the most important attributes of national economic sovereignty.'<sup>17</sup>

Anderson correctly connects the Maastricht Treaty to the collapse of the regimes in eastern Europe and German unification: 'In reverse order, it was the collapse of Communism that allowed the reunification of Germany that precipitated the Treaty of Maastricht.'

Anderson, however, considers

that: 'The outcome of these processes obey no single logic. More than this: to a greater extent than in any previous phase of European integration, the impact of each is quite uncertain.'

Yet Anderson then underlines his view on the anti-welfare character of the Maastricht Treaty: 'In a system of the kind envisaged at Maastricht, national macro-economic policy becomes a thing of the past: all that remains to member states are distributive options on — necessarily reduced — expenditures within balanced budgets, at competitive levels of taxation. The historic commitments of both social and Christian democracy to full employment and traditional welfare services, already scaled down or cut back, would cease to have any further institutional purchase. This is a revolutionary prospect. The single obligation of the projected European Central Bank, more restrictive even than the charter of the Federal Reserve, is the maintenance of price stability. The protective and regulative functions of existing national states will be dismantled, leaving sound money as the sole regulator, as in the classical liberal model of the epoch before Keynes.'

'The new element — namely the supranational character of the future monetary authority — would serve to reinforce such a historical reversion: elevated higher above national electorates than its predecessors, it will be more immune from popular pressures. Put simply, a federal Europe in this sense would not mean — as Conservatives in this country fear — a super state, but *less* state.'

Furthermore, the European institutions which are being created to administer the monetary union are voided of democratic content. As Anderson puts it, the European Commission, which has the sole right to initiate legislation and administers the EU's budget, is a 'body composed of 23 functionaries, headed by a President enjoying a salary considerably higher than that of the occupant of the White House'. In a review of the historian Alan Milward's works on Europe Anderson rebukes as 'quite notional' Milward's idea that European capitalist integration had some democratic foundations, pointing out that 'At no point until — ostensibly — the British referendum of 1975, was there any real popular participation in the movement towards European unity.'

These observations by Anderson

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'Perry Anderson is the most sophisticated example of the current who harbour no illusions in the Maastricht Treaty but believe the EU simultaneously embodies a potentially progressive dynamic'

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are accurate. They should imply a root and branch struggle on an international level against the Treaty of Maastricht. But this is *not* Anderson's political conclusion. Returning to his view that the outcome of the 'interconnected' changes of the collapse of the regimes in Eastern Europe, German unification and the Maastricht Treaty 'obey no single logic', he argues: 'Precisely the extremity of this prospect, however, poses the question of whether in practice it might not unleash the contrary logic. Confronted with the drastic consequences of dismantling previous social controls on economic transactions at the national level, would there not soon — or even beforehand — be overwhelming pressure to reinstitute them at supranational level? That is, to create a European political authority capable of re-regulating what the single currency and single minded bank have deregulated, to avoid an otherwise seemingly inevitable polarisation of regions and classes within the Union? Could this have been the hidden gamble of Jacques Delors, author of the plan for monetary union, yet a politician whose whole previous career suggests a commitment to a Catholic version of social-democratic values, and suspicion of economic liberalism?'

This analysis begs the basic question posed to the labour movement by the Maastricht Treaty namely — shouldn't it unite to oppose a Treaty designed to dismantle the welfare state? Anderson never answers this question clearly.

On the contrary, he says that Maastricht could provoke overwhelming pressure to create a European political authority capable of regulating the financial markets and avoiding a polarisation of regions and classes in the EU, and therefore implies it should be supported.

Anderson cites the head of the European Monetary Institute, Alexandre Lamfalussy, saying that if monetary union was to work a common fiscal policy would be essential. From this Anderson asks: 'Given, however, that budgets remain the central background of domestic politics, how can there be fiscal co-ordination without electoral determination? The election of a system of governmental institutions would not be possible without 'a genuine supranational democracy, embodying for the first time a real popular sovereignty in a

truly effective and accountable European Parliament. It is enough to spell out this condition to see how unprepared either official discourse or public opinion in the member states is for the scale of the choices before them.'

He moves on to suggest that if the pressure towards enlargement of the EU were to render its current institutional structure dysfunctional, might then 'not widening inevitably mean loosening?'. That is: 'The more states enter the Union, the greater the discrepancy between population and representation in the Council of Ministers will tend to be, as large countries are increasingly outnumbered by smaller ones, and the weaker overall decisional capacity will become. The result could paradoxically be the opposite of the British expectation: not a dilution, but a concentration of federal power in a new constitutional settlement, in which national voting weights are redistributed and majority decisions become normal. The problem of scale, in other words, might force just the cutting of the institutional knot the proponents of a loose free-trade area seek to avoid.'

Is this scenario realistic? MEP Alex Smith argues, on the contrary, that the 'move of massive proportions' embodied in the Maastricht Treaty, which goes right to the heart of democracy itself 'combined with the fact that none of the economic conditions for the achievement of monetary union exist', poses the inability to meet the goal of a single currency. He concludes: 'If the economics do not deliver, the politics of convergence will also fail — with a price which may well be catastrophic.'<sup>18</sup>

One does not have to agree with this alternative scenario to see the flaw in Anderson's logic. If one believes that Maastricht will mean that full employment and the welfare state will 'cease to have any further institutional purchase' is not the logical conclusion not to simply rely on the *hope* that the result will be 'overwhelming pressure to reinstitute them at supranational level', but to vigorously oppose the Treaty?

Anderson's fundamentally correct international *starting point* should, more correctly, lead to the conclusion that successful working class struggle to *defeat* Maastricht on a European level is far more likely to lead to progressive advance.

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'The EU is an explicitly anti-democratic organisation oriented to strengthening European big capital at the expense of the working class and petty-bourgeoisie'

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**T**his leads us to the third broad current, those who understand *both* the need for an international framework but *also* that the Treaty of Maastricht is a means of radically restricting democracy in order to dismantle the welfare state and alter the balance of class forces in favour of capital.

This view is gaining ground. It is starting to cut into the 'Euro-Keynesianism' middle ground of those who hoped that EMU would bring German living standards to Britain. This is reflected for example, in a confused way, in a recent survey of Labour MPs.

While 90 per cent of MPs and 93 per cent of MEPs, for example, disagreed or strongly disagreed with the statement 'Britain should withdraw from the European Union' and a further 88 per cent of MPs and 86 per cent of MEPs agreed or strongly agreed with the statement 'the globalisation of economic activity makes EU membership more, rather than less necessary for the UK', 78 per cent of MPs and 64 per cent of MEPs *also* agreed that: 'The UK should not seek to meet the EMU convergence criteria if the result is increased unemployment in Britain'.

Fifty per cent of MPs (although only 28 per cent of MEPs) agreed with the statement 'There should be a national referendum before the UK enters a single currency'.

The survey also showed large majorities of Labour MPs in favour of the European parliament having greater powers and against the view that the Council of Ministers should be the EU's supreme institution.<sup>19</sup>

Similarly, John Edmonds commented at the *Guardian's* conference on 2 December last year that Britain would face an 'industrial disaster' if it signed up for the single European currency before the economy was strong enough to sustain a link with the German mark.<sup>20</sup>

What this body of opinion has not yet grasped is that the Maastricht Treaty is *designed* to make 'Euro-Keynesian' policies impossible. Maastricht is an example of what Ken Livingstone recently called the free market model of political relations in the global economy: 'The free market model states that no specifically political institutions are necessary to organise the globalised economy. Instead it argues that this will be accomplished by the market. On this model, the role of the state should be substantially reduced, and national economies

opened to international market forces. This became the 'conventional wisdom' of the early 1990s — promoted globally by the International Monetary Fund, in the United States by Newt Gingrich and the Republican Party and in Europe by the Treaty of Maastricht.'

In this way: 'If the fundamental economic decisions are taken at the level of the world economy, and national economies must simply correspond to these imperatives, then national democratic bodies can no longer take decisions which have real content. All fundamental social and political decisions have economic consequences so such decisions cannot be operational if the economic framework which determines them is outside democratic

control. Furthermore, there are no democratic *international* institutions through which decisions may be taken. The free market model, if taken to its logical conclusions, would remove *all* mechanisms of democratic control over the economy.' Therefore 'there is not merely some slight 'democratic deficit' in the Treaty of Maastricht' it 'constitutes a sustained attempt to destroy any possibility of a democratic model of integration in Western Europe in favour of the 'free market' one.'<sup>21</sup>

**W**ithin the current which understands both the anti-working class and welfare state character of the Maastricht Treaty *and* the need for an international framework, there

nonetheless exists the view that the EU can be the vehicle for reforms and progress for the working class in Europe. The problem is that no such reformist agenda of any seriousness is on offer in the EU. On the contrary, the EU is specifically structured to prevent the labour movement bringing about such pressure for reforms. This is why the European Parliament's powers are so restricted and why the supreme decision-making body is the unaccountable Commission of 23 functionaries. John Edmonds tacitly acknowledged the dangers of labour movement reliance on the EU when, at the GMB's annual conference, he said: 'a few years ago, we thought that we only had to wait and the European cavalry led by Jacques

## Militant bourgeois

Some years ago the *Financial Times* ran an exceptionally instructive back page interview with Jean Marie Le Pen, the leader of the extreme right-wing French National Front. It was instructive, not because of what it told the reader about Le Pen, but for what it reflected about the thinking of the *Financial Times*.

The article was entitled 'Militant bourgeois'. The tone of the interview was precisely expressed by its title. It sought to foster toleration among the *FT*'s readers of Le Pen as a 'militant' representative of a 'bourgeois' political force — without, of course, endorsing his more obscurantist, racist and anti-semitic views. The approach was to create the kind of attitude to Le Pen among *FT* readers, that might have been found among militant car workers in the 1970s to a 'communist' shop steward — 'we don't agree with a lot of their ideas, but they are useful to have on our side in a fight with the class enemy'

If the *FT* piece had been a one-off it would not be

worth commenting on. But it was followed by a similar interview with Gianfranco Fini, the leader of the, formerly explicitly fascist, Italian National Alliance. The theme has more recently been taken up by *The Economist* which has been running what amounts to a public relations campaign on behalf of Fini and Jorg Haider, leader of Austria's far right Freedom Party. The following gives the flavour of the coverage: 'First point: what the far right stands for has changed. Even if far right parties in Austria and Italy do well, they are less frightening than most people recently thought, and far less so than their ancestors in the 1930s. Most would now accept that multi-party systems are the best form of democracy, that power should be won and held by the ballot box and that nobody is above the law... fascism in its old west European clothing is dead. The main parties on the Italian, French and Austrian far right have even junked most of the old state corporatism that characterised the 1930s.'

'A second qualification is that nowhere is there much

chance of an extreme right-winger winning power untrammelled. Jorg Haider's Freedom Party in Austria, or Gianfranco Fini's National Alliance in Italy, could win power only as junior partners in a coalition.'

The Freedom Party may get a third of the vote. Haider has praised aspects of Hitler's rule... and tends to attack racial minorities, homosexuals and foreigners. But he is able, sharp-witted and has learned not to rant, especially on TV. Like Mr Fini in Italy, he has junked the old fascist corporatism in favour of the free market...'

The point being made is that, from the point of view of the class which *The Economist* and *Financial Times* represent, the emerging far right in Europe should not be dismissed out of hand — that would be 'sectarian'. It has its uses. It is exceptionally militant. On the basis of racism it can cut into the working class. In a tight corner it is even possible, as in Italy, for the mainstream bourgeois parties to ally with it.

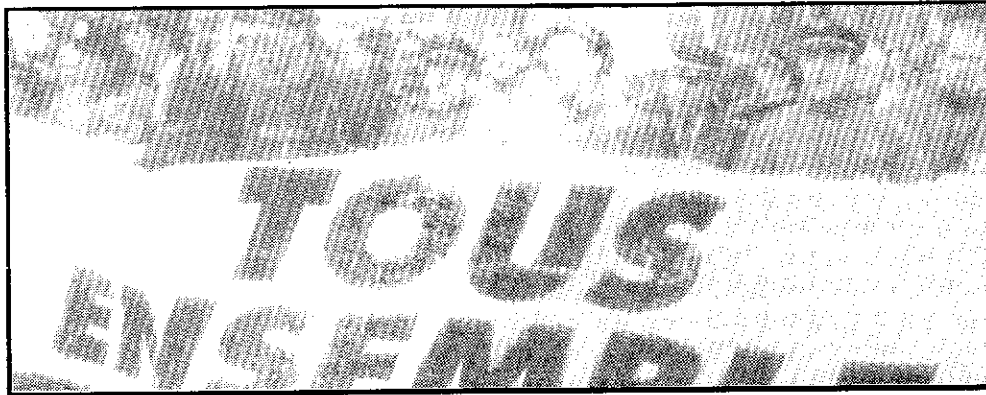
This represents a significant, and symptomatic sign of the times in the new Eu-

rope which capital is trying to create through the Maastricht Treaty — one of whose effects is to grind down the traditional petty-bourgeoisie and the unemployed and thereby create a mass political base for the far right. This is facilitated by the way in which European Social Democracy has aided the entire process and thereby created the hopelessness and desperation on which the far right feeds.

*The Economist* and *Financial Times* are saying to the 'thinking bourgeois': 'Look to the future. Don't dismiss our militant friends on the right out of hand. We may well reach the point when the trade unions are less docile and more robust measures will be necessary to grind down the resistance of the working class. Then the 'militant bourgeois' like Le Pen, Haider and Fini may prove their usefulness.'

Isn't that precisely the way in which many of the 'thinking bourgeois' of Italy, Germany, Spain, France... and Britain, reasoned in the 1920s and 1930s?





Delors would come and save us from the excesses of our wretched government.' But he added: 'Delors has gone and the right-wing barbarians have stepped up their efforts — unless we are careful, the European cavalry might end up fighting on the wrong side.'<sup>22</sup>

Or as Roger Berry MP pointed out in relation to the idea that a substantially larger EU budget geared to reducing regional inequalities as a result of a single currency, the EU has ruled out this option.<sup>23</sup>

That the EU has ruled out an egalitarian redistribution of funds or that Jacques Delors did *not* defend the British labour movement against Tory attacks, is not accidental. The EU is not democratic because it is oriented to strengthening European big capital at the expense of the working class and petty-bourgeoisie. The EU never has been, and will not become, a vehicle for international advance of the labour movement.

This framework of opposition to the EU obviously does not mean that the labour movement should not use any opportunities it offers to advance particular interests of the working class.

For example, this would mean supporting a referendum on a single currency, because, after the experience of France at the end of 1995, such a referendum would most likely produce a vote against. It means judging proposals for reform of the EU structures on the basis of whether they help limit capital's assault on the welfare state. Equally contradictions between EU law and national law should be exploited to extend democratic rights. On such issues, socialists share the struggle, but not the illusions, of those attempting to use EU institutions to strengthen the position of the working class.

Secondly, it is vital that a basis for united action is created, between, firstly, those who are pro-EU, in varying ways, but against

the Maastricht Treaty and, secondly, that section of the labour movement which opposes not only Maastricht but also the EU (even where this is wrongly posed from the standpoint of British sovereignty). Neither of these currents can themselves create a such a basis for unity — the former will ultimately be forced to choose between the interests of the working class and the EU, while the latter between international working class solidarity and the reactionary projects of the Tory euro-sceptics. But both can be united in opposition to the impact of Maastricht. Such a united front is a real alternative for the labour movement to that currently represented in the leadership of the TUC and the Blair leadership of the Labour Party.

**M**aastricht presents the labour movement with the challenge to learn to politically engage with the operation of the *international* economy, and develop an economic and political strategy to defend its interests on this level. As Trotsky expressed it, socialists must understand the following: 'The productive forces are incompatible with national boundaries. Hence flow not only foreign trade, the export of men and capital, the seizure of territories, the colonial policy, and the last imperialist war, but also the economic impossibility of a self-sufficient socialist society. The productive forces of capitalist countries have long since broken through the national boundaries. Socialist society, however, can be built only on the most advanced productive forces...From Marx on, we have been constantly repeating that capitalism cannot cope with the spirit of new technology to which it has given rise and which tears asunder not only the integument of bourgeois private property rights but, as the war of 1914 has shown, also the national hoops of the bourgeois state.

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'Maastricht presents the labour movement with the challenge to learn to politically engage with the operation of the *international* economy, and develop a strategy to defend its interests on this level'

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Socialism, however, must not only take over from capitalism the most highly developed productive forces but must immediately carry them onward, raise them to a higher level and give them a state of development such as has been unknown under capitalism.'<sup>24</sup>

However, the fact that 'Marxism takes as its point of departure from world economy, not as a sum of national parts but as a mighty and independent reality which has been created by the international division of labour'<sup>25</sup>, does not mean that socialists can subordinate themselves to the international political framework of capital.

To use Lenin's terminology, a corporate political force accepts the agenda set by other social forces, a hegemonic force sets its own political agenda. The labour movement must act as a hegemonic force if it is to defeat the Treaty of Maastricht.

### By Louise Lang

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# Trade unions and the mythology of social partnership

'A new approach is needed to relationships at work based on the development of a world class workforce with the skills to produce high quality, high value added products and services and respond to rapid technological change. This new approach can best be achieved through a partnership between employers and trade unions.'

**T**his statement forms the perspective of the majority social democratic leadership of the west European workers movement today. It is articulated in Britain by writers like Will Hutton, in their drive for a Lib-Lab coalition and is the centrepiece of the strategy of 'Trades Unions '96', the initiative inspired by the Democratic Left, which aims to reconcile the trade union movement with the economic and social policies of Tony Blair.

Socialists cannot simply dismiss this discourse as timeless class collaboration. For the bourgeoisie, the European Union's ideology of 'social dimension' constitutes a key element of its class hegemony in western Europe today by binding the majority west European trade union leaders in to the central strategic project of big capital — the Treaty of Maastricht. For the working class the significance of the 'social dimension' is that unless it learns how to develop a counter-strategy the workers movement will cease to operate as an independent social force.

## ***The historical evolution of the 'social dimension'***

Prior to 1914 the rise of imperialism had made possible the co-optation of a section of the workers leadership into the functioning of the state. This became essential and generalised in the context of the First World War.

The carnage of the war and the rise of a revolutionary opposition, primarily through the example of the Russian revolution, threatened to transform the whole of the workers movement. In the face of this, and the immediate post-war economic slump, the ruling classes in Europe found themselves socially isolated.

This isolation of the European bourgeoisie was overcome by two interconnected processes. First, the

direct intervention of American imperialism, the main beneficiary of the war, to stabilise capitalism in Europe. Secondly by the willingness of the social democratic leaderships to assist this stabilisation. These two processes found expression in the 1919 Treaty of Versailles.

The main aim of the Treaty was to consolidate the new relations amongst the imperialist powers. But there were other aims, the Treaty established the International Labour Organisation (ILO). The ILO was set up as a tripartite organisation involving employers, workers representatives and governments. The aim was to establish international labour standards and reduce class conflict.

A real system was being promoted to resolve the social question: 'Article 427 of the Treaty of Versailles declares the following "methods and principles" to be of special and urgent importance:

'First — The guiding principle above enunciated that labour should not be regarded as a commodity or article of commerce.

'Second — The right of association for all lawful purposes by the employed as well as the employers.

'Third — The payment to the employed of a wage adequate to maintain a reasonable standard of life, as this is understood in their time and country.

'Fourth — The adoption of an 8-hour day and of a 48-hour week as the standard to be aimed at where it has not already been attained.

'Fifth — The adoption of a weekly rest of at least 24 hours, which should include Sunday wherever practicable.

'Sixth — The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuance of their education and ensure their proper physical development.

'Seventh — The principle that men and women should receive equal remuneration for work of equal value.

'Eighth — The standard set by law in each country with respect to the conditions of labour should have due regard to the equitable economic treatment of all workers lawfully resident therein.

'Ninth — Each state should make provisions for a system of inspection in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the employed.'

Of course the actual conditions of capitalism in the 1920s and 1930s prevented such a programme being carried out. But the project inspired, for example, the Weimar Republic's works councils, and Whitleyism and Mondism in Britain.

This first 'social chapter' definitively fell with the 1929 slump and the withdrawal of Nazi Germany from the ILO and League of Nations in 1934. Yet the necessity for co-optation of the workers leadership remained. Thus we see the endorsement by sections of the bourgeoisie of the Popular Front policies espoused by the Communist Parties (CPs) and Socialist Parties (SPs) in the late 1930s. At the same time, in a whole series of European countries the labour codes and laws were reformed to bind the workers organisations closer to the functioning of the state.

Far from allowing the workers to achieve security and progress, however, all that was achieved by the Popular Front strategy was the defeats which culminated in the catastrophe of the Second World War.

## ***The 'social dimension' after 1945***

**D**uring, and immediately after, the Second World War it was Popular Front type policies which secured the loyalty of the workers to the bourgeois order in western Europe. The defeat of Germany and the rebuilding of

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'Unless it develops a counter-strategy to the social dimension the workers movement will cease to operate as an independent social force'

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the war-ravaged societies were equated with a social alliance under the leadership of the 'democratic' national bourgeoisie.

This involved a series of coalitions at the level of national government. Once again the social isolation of the bourgeoisie was overcome by the twin processes of US imperialist support and the incorporation of the top layer of the workers movement.

Thus, the French and Italian Communist Parties participated in the first post-war governments. The British Communist Party campaigned for a continuation of the war-time coalition with the Conservative Party as opposed to the creation of an independent Labour government in 1945.

Further, the Yalta coalition between the 'Big Three' (Roosevelt, Churchill and Stalin) was given organisational expression in the workers movement with the establishment of the World Federation of Trade Unions (WFTU). This involved the American Federation of Labour (AFL), the Congress of Industrial Organisations (CIO), the major European federations including the TUC, and the Soviet trade unions.

However, when it came to the actual rebuilding of European capitalism this grand coalition was undesirable to the American and European bourgeoisie. Having played a crucial role in the immediate social stabilisation of Europe, the CPs were expelled from government, a split was organised in the WFTU, and the cold war was launched against the Soviet Union.

Recognition of this naked manipulation of the European labour movement by US imperialism is still unpalatable to some in the contemporary labour movement. For example, Dennis McShane writes: 'national traditions and, within them, domestic tensions and priorities in Britain, Germany and France, stemming from a common European labour heritage, determined developments relating to international activity of the unions after 1945 as much if not more than interstate disagreements or political and financial interventions by the United States or the Soviet Union.'<sup>3</sup>

This idea that it was some sort of struggle over ideas which split the international labour movement is laughable. The people responsible for splitting the atom over the Japanese at Hiroshima and Nagasaki had few reservations about




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'The incorporation of social democracy into the new political framework after World War II required material concessions to the labour movement'

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splitting the trade union movement. The result was the creation of the International Confederation of Free Trade Unions (ICFTU), as a social democratic split from the WFTU, and closely linked to the United States: 'In its early days the ICFTU was very much an appendage of the Marshall Plan. ECA [Economic Cooperation Agency — the US organisation set up to administer Marshall Aid — ed] labour staff had observer status at the top-level ICFTU emergency committee when American aid for rearmament and anti-communists activities were being discussed: the Confederation accepted material help from the US embassy in Paris in printing literature for distribution in the Middle East — the costs being borne by embassy funds — and at an early ICFTU Executive Board the presence of ECA officials was so marked that OSR labour chiefs were warned that they risked embarrassing their European union friends.'<sup>4</sup>

**T**he incorporation of the social democratic parties and trade union leadership into the new political framework required material concessions to the labour movement. This, and especially the impact of the overturn of capitalism in eastern Europe, motivated the establishment of the welfare state in western Europe. Funding for this was initially made possible by the Marshall Plan. Europe was placed on 'American rations' as Trotsky had anticipated.

British imperialism, though not

devastated like most of Europe, was now totally dependent on the US for financial support, and military defence of its empire against rising anti-colonialism. It therefore concluded that its strategic interests could only be served as a junior partner to the US.

This was the basis in the British labour movement of a dominance of 'Atlanticism'.

In mainland Europe the common devastation soon prompted the evolution towards a protected market. Marshall Aid made recovery possible and the US actively promoted the first steps towards a European Community, then German rearmament and NATO, as the only way to stabilise European capitalism threatened by a more powerful non-capitalist state dominant in the eastern half of the continent.

Initially the bourgeoisie required the assistance of the workers leadership in this process and the ICFTU was involved in the establishment of the Schumann Plan and the European Community Steel Committee.

When the European capitalist economy had been stabilised, the involvement of the unions became less of a priority. The European Economic Community (EEC) was set up by the Treaty of Rome in 1955 with no prominence accorded to the 'social dimension', and no tripartite structures of significance.

However, working class struggles which erupted in France in 1968, and the 'Hot Autumn' in Italy



1969, proved a salutary reminder of the value of integrating the union bureaucracies. Pompidou and Willy Brandt began to promote a role for the unions in the EEC. The Hague summit of 1969, which promoted the progression of the EEC from a custom union towards economic and monetary union, accepted social policy as a component necessary to the project. The ICFTU's European Regional Organisation was then incorporated into the EEC's Economic and Social Committee. And the joint standing committee in Europe of the Italian CGIL and French CGT was recognised for consultative purposes by the European Commission.

**The consolidation of the 'social market' from 1972**

'When the boom began to fall apart, when the economic integration within the Common Market was visibly failing to protect working and living standards and when a wave of strikes and wage explosions swept across Europe, the neo-liberal idea of lasting social progress and as an automatic consequence of a free market gave way to the idea of a 'social market'. The official turning point was the declaration by the Heads of Government in October 1972, on the eve of the expansion of the Community from Six to Nine, "that they attribute the same importance to energetic proceedings in the field of social policy as to the realisation of the economic and financial union".<sup>5</sup>

Of course despite the real turn in orientation from 1972 the 'same importance' was not accorded to social policy as to economic policy. But the bourgeoisie did see the advantages of a more developed political attempt to integrate the trade union leaderships than previously.

During the 1970s efforts to legitimise the social market were tentative. Some progress was registered on equal pay/equal treatment, and on acquired rights of workers on transfer of undertakings. Yet even the feeble proposals for workers participation in the draft Fifth Directive (1972) and the Vredeling proposals (1980) on consultation for employees, failed to be carried by the European Council.

**W**ith the renewed economic crisis of the 1980s, practical support for the social market proved even more questionable: 'Between 1980 and 1989 no new labour law

directives were adopted, with limited exceptions in respect of equal treatment and of health and safety.'<sup>6</sup>

The co-option of the workers leaderships was far from improving their bargaining position. On the contrary, its co-option into the European 'ideal' was weakening the capacity of the leaderships to gain concessions. If the competitiveness of the European market was the basis for social progress then the priority had to be to restore that competitiveness and defer social demands.

The impact within the EU of the deregulation of the labour market initiated in Britain by the Tories further slowed down progress towards the social market.

However, most European governments were not in a position to go as far as Thatcher, in particular because they did not have the option of using oil production to plug the balance of payments crises which would have followed from a reduction in manufacturing industry on the scale carried out in Britain. Thus the Single European Act (entered into law in 1987) proposed co-option of the trade union bureaucracies, where possible, rather than direct confrontation.

Article 118B of that Act said: 'The commission shall endeavour to develop the dialogue between management and labour at European level which could, if the two sides consider it desirable, lead to relations based on agreement.'

Efforts were made via the Val Duchesse talks to establish this 'social dialogue'. The European Centre for Public Enterprises (CEEP), the European Trade Union Confederation (ETUC) and the Union of Industries of the EC (UNICE) engaged in years of talks without having a major impact upon EU legislation.

The absence of progress was clear. But the moves to a single internal market due in 1992 had obvious potential for social conflict. The Commission, at what proved to be the high point of the social dimension, issued the *Social Charter and the Action Programme* in 1989. This was hailed as a strategic gain by the majority of the workers leadership: '... it is surely right to welcome the Charter. The document is in many ways a remarkable signpost of social progress...'<sup>7</sup>

As the TUC put it: 'The social dimension, the Social Charter and the Action Programme are impor-

tant gains for us. But they need to be put into effect in society and at the workplace.'<sup>8</sup>

But this was, in reality, merely wishful thinking. The EU was in fact preparing to take advantage of its stronger position after the re-introduction of capitalism into eastern Europe to begin to dismantle the welfare state in western Europe. The value of the social dimension became to try to neutralise the workers movement vis a vis this project. In consequence, despite the abundance of words on paper, including the social chapter, in the Maastricht Treaty, actual concessions have been virtually non-existent: 'The social chapter was agreed as part of the Maastricht treaty at the end of 1991. But so far it has been used to pass only a single piece of European legislation, the directive of European works councils.'<sup>9</sup>

'In all some 300 directives and regulations have been issued in order to realise the Single Market. The vast bulk of these are concerned with commercial and technical matters. As far as employee rights are concerned, the new instruments are either incomplete or wholly absent.'<sup>10</sup>

**The social dimension and the introduction of new management practices in Europe**

**T**he real effects of mass unemployment, attacks on welfare provision and the drive to 'deregulate the labour market' have far outweighed the few real measures undertaken in the name of the social chapter. Thus, since the late 1980s, and particularly through the 1990s, the new management practices (NMP) pioneered in the US and Japan have been introduced into the EU. Thus the European Commission states: 'The market for high-quality products and services is linked to more open forms of management and organisation, better working conditions, and more democratic forms of participation, both in work and in capital. The technological wheel which led to mass production and military-derived modes of management is turning. The quality of working life is improving and constitutes a key component in the quality of life as a whole.'<sup>11</sup>

However, even the European Commission is forced to admit: 'On the other hand, the greater flexibil-

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'Working class struggle which erupted in France in 1968 and the 'Hot Autumn' in Italy 1969, proved a salutary reminder of the value of integrating the trade union bureaucracies'

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ity required by enterprises is leading to more insecurity for those who, rather than being in the 'core' workforce, are in the 'contingent' labour force which is needed to adjust output when demand falls.<sup>12</sup>

In fact, these practices have the sole aim of stepping up the rate of exploitation of workers. As such they are in stark contradiction to the supposed aim of the social dimension. In desperation the European unions have closed their eyes to this fact and insisted that these new management practices offer new scope for improving work relations and the workers position. The TUC, for example, defends the new management practices in principle, while deploring their 'misuse' by 'bad' employers: 'Some employers may use HRM (Human Resource Management) language as a smokescreen for anti-unionism. If this is the case then trade unions can only resist such a strategy. However, if the employer is genuinely concerned to improve the performance of the enterprise, is committed to involving workers in the running of the company and is seeking to develop a real partnership with recognised trade unions then HRM

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and collective bargaining can work in harmony. Unions are not opposed to HRM strategies which represent their collective bargaining rights and are consistent with the development of high quality, well paid employment.'<sup>13</sup>

Assuming that new management practices are a simple 'neutral' evolution of techniques ignores the labour market models that created them. Actually the impact of the new management practices upon living standards is exactly the opposite of the wishful thinking of the TUC and others. Even Adair Turner, the Director General of the Confederation of British Industry admits as much: 'we have seen a significant fall in the share of national income accounted for by wages and salaries (from 66.5 per cent in 1991 to 62.5 per cent in 1994). For many people real earnings after tax may well have declined in the past couple of years. This is a very different scenario from the significant rises in real earnings we saw in previous recoveries, and could well confirm that there has been a fundamental shift in how your businesses are making pay awards.'<sup>14</sup>

The acceptance of NMP is made

possible by patterning the new rhetoric to the social dimension. Thus the notion of 'empowerment' in NMP is taken to mean the involvement of unions. While the NMP stress on 'customer first' is taken to coincide with the notion of international competitiveness, including in labour standards. Finally the system of 'teamworking' in NMP is taken to illustrate the reality of social partnership in the workplace.

Such ingenuity deserves better objects of attention. The reality is that total quality management (TQM), lean production (LP), just-in-time (JIT), etc, are significantly worsening the world of work for European workers.

To understand the future of these practices it is necessary to understand the system of labour regulation which spawned them in the US and Japan.

- In the US and Japan there is no effective welfare state. Social security is therefore largely dependent upon private provision through insurance, or through direct sponsorship by the employer.

- The social weight of the trade unions is qualitatively lower than in the EU. This is compounded by the business unionism of major trends in the US and Japanese labour movements.

- In Japan the reformist workers parties have marginal influence compared to Europe. In the US no independent, even reformist, mass working class party exists.

- Labour legislation is qualitatively weaker than in the EU.

These differences constitute a fundamentally different model of labour market regulation than the national or international labour codes of the EU. The US/Japanese model laid the basis for the management-by-stress techniques that constitute TQM, JIT, etc.

Inside the labour movement new management practices have created mayhem. This is entirely due to the refusal to recognise the need to oppose the new acceleration of exploitation. This is the only coherent alternative to the business unionism acceptance of these techniques.

The European bourgeoisie is now trying to transform its labour market along Japanese and American lines. The attempt to impose this new model against the traditions of wellarism and independent workers organisation in the EU will constitute a central terrain of social conflict not 'partnership' over the

coming years.

**Contradictions within the majority of the labour movement.**

In these circumstances, the myopia of the European TUC, the British TUC and west European social democracy is one of the most important obstacles to effective international working class solidarity in western Europe. It is vital that the critical minority develops an international discussion to promote a coherent alternative. The core of the TUC's case for going along with the Treaty of Maastricht is that it will allow British wages and social provision to be lifted to German levels: 'As the debate on EMU develops it will become increasingly clear that the central issue facing the British economy is competitiveness and in particular the competitive challenge of Germany. British workers know that German wages and German levels of productivity go together. They are two sides of the same coin. The challenge for British industry in the 1990s, in the context of European integration, is: how can we match German living standards and German levels of productivity and performance?'<sup>15</sup>

The TUC's assumption is that the effectiveness of the bargaining positions of German workers depends upon the bargaining institu-

tions and therefore these must be generalised throughout Europe, i.e., works councils, co-determination, supervisory boards, etc. Awkward questions like the strength of German manufacturing, and levels of domestic investment are sidelined.

Today it is clear that the supposed social consensus which is said to underlie the German bargaining model is breaking up under the weight of EMU. The most recent attempt to modernise the consensus, the IG Metall *Alliance for Jobs*, has fallen to the force of Kohl's insistence on carrying through DM 70 billion cuts in government spending. The result has been an upsurge in strikes and demonstrations creating a 'German model' that resembles the French workers struggle against the Juppe reforms.

However, the majority of European labour leaders are galloping to position themselves for the extension of the 'social dialogue': 'our argument is that a social dimension to the European Community is required to improve coordination in the European labour market. By creating a framework for Community-wide labour bargaining, by establishing norms and conventions through legislation and other policy initiatives, it is more likely that the new embryonic transnational employment relations

in the EC will progress in a more orderly way'.<sup>16</sup>

As the pressure for EMU is applied so there is no dialogue, no dimension, no partnership, no sharing but an assault upon the workers and oppressed of Europe.

The majority position rests on a dual fiction. Firstly, that of a new ordering of relations between the classes with a fundamentally harmonious end-point, whatever the intermediate conflict. Secondly, of a new European Union which will allow the workers' organisations to express their aspirations for economic security and social progress. European history from Versailles to Maastricht uncovers these fictions.

The task for marxists lies in regrouping the workers movement to finally, and practically, lay to rest such rosy illusions. Coordinated action against EMU is clearly the next fight to wage in this battle.

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'The supposed social consensus which is said to underlie the German bargaining model is breaking up under the weight of EMU'

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**By John Church**

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# Labour and the new European racist agenda

The anti-racist movement has to address the prospect that a Labour government led by Tony Blair, coming to office within the next year, on present policies, will create the conditions for a resurgence of racism.

**T**he key determinant is Labour's economic policy where Blair is committed to an even more rigorous pursuit of policies to meet the Maastricht convergence criteria for European monetary union. The meaning of this economic course is clear: the dismantling of the post-war welfare state, maintenance of high unemployment and a sharp attack on wages — in conditions where, far from Labour offering the hope of an alternative, it will be implementing such policies.

The significance of such economic policies for an escalation of racism and a resurgence of support for the far right is already clear from the experience elsewhere in Europe.

In France the Mitterrand years produced the dramatic success of Le Pen's National Front. Tight monetary policies to keep France in the European Exchange Rate Mechanism hit both small business — which provided the first electoral success for Le Pen — and the working class, the most backward sections of which also began to vote for the National Front. At the same time, support for the Socialist Party

plummeted, bottoming at 16 per cent.

This electoral disaster for the Socialists, and rise of Le Pen, was accompanied by a rising wave of racist violence, from the desecration of Jewish cemeteries, to the racist murders of North African residents in France.

The response of the Gaullist right was to call for concessions to the agenda of the National Front, and the Socialist government obliged. Prime Minister Edith Cresson notoriously announced the chartering of aircraft to deport 'illegal immigrants'. Having played into the hands of the right the Socialist Party lost the elections and the new right wing government went further, with the introduction of the 1993 Pasqua laws giving the police powers to arrest and detain anyone who cannot produce their identity papers.

In April the United Nations appointed a Special Rapporteur to look at the problem of racism in France. His damning report concluded that racism was endemic,

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'The Schengen group formulates policies behind closed doors for EU-wide action to keep out immigrants and asylum-seekers'

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was state endorsed through the racist activities of the police and had been fanned by all the main political parties whipping up racism through successive immigration laws.

Similarly in Germany rising unemployment and attacks on the welfare state, exacerbated by the costs of German reunification and a governmental move to restrict sharply Germany's previously liberal asylum laws have led to a racist wave and the rise of neo-Nazi parties. The growth of fascist parties was cut off temporarily by a sharp racist turn by the Christian Democrats, a move applauded by the SPD.

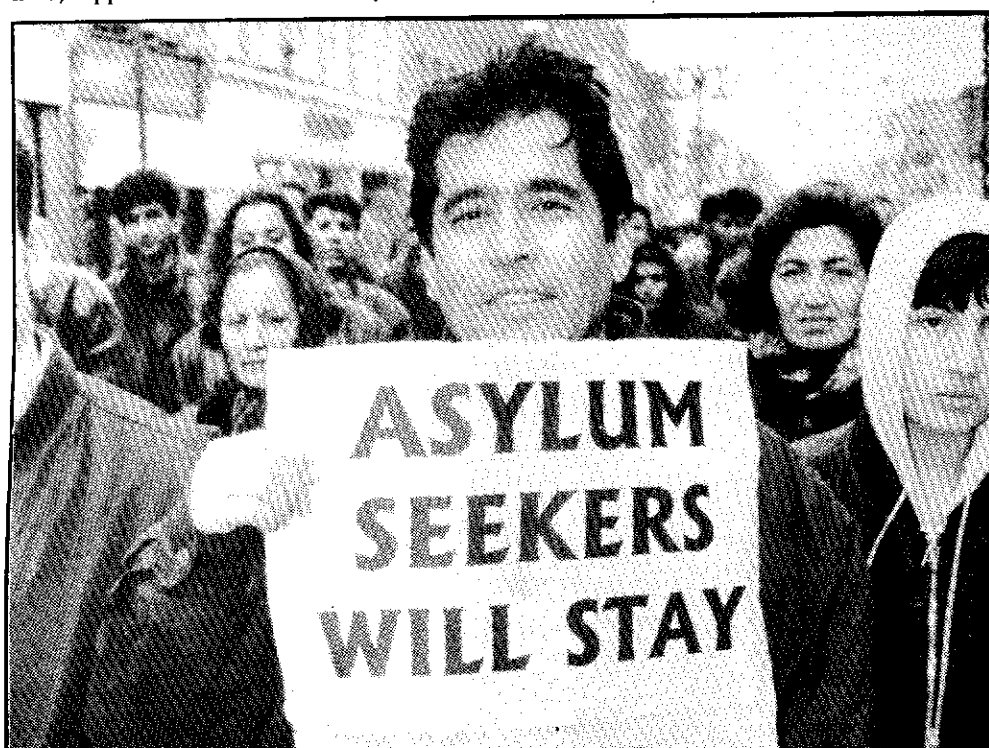
In Italy the formerly, openly fascist National Alliance, led by Gianfranco Fini, is becoming the most coherent national bourgeois party and is a key component of the right wing alliance led by Silvio Berlusconi.

In Britain, a glimpse of the shape of things to come under a right wing Labour government was provided by the BNP breakthrough in the Millwall by-election in September 1993.

The racist impact of a Blair government's economic orientation would be exacerbated by the context of the racist agenda being formulated within the EU structures themselves.

Most notoriously, the Schengen Group formulates policies behind closed doors which, within the context of bringing down the internal passport controls for EU nationals in Europe, have the aim of EU-wide action to keep out immigrants and asylum seekers.

The agenda being set by Schengen is the driving force of some of the measures that the Tory government has introduced both in the Asylum and Immigration Bill and through ministerial action. Last summer, Peter Lilley and Michael Howard announced a 'voluntary' system of internal immigration checks to be carried out by public sector employees who would be given 'training' in how to 'recognise an illegal immigrant'. In the Asylum and Immigration Bill employers are forced to carry out such checks through being made crimi-







nally liable for the immigration status of their employees.

The approach emerging from the Schengen group is an elaborate system of *internal* identity and other checks. Rather than the haphazard system of passport checks at borders, there will be a new internal regime of computerised cross-referencing whenever someone enters the public domain — pays taxes, claims benefit, is admitted to hospital, is stopped by the police or goes to a police station, puts their name down for council housing and so on. In May the police announced they were compiling a database that would be made available to employers detailing all past offences. In the same week the French police announced that they were compiling a database with details of ethnic origin, any information on political views and so on of everyone they dealt with, whether or not they had committed an offence.

The introduction in France of a system of internal controls — the Pasqua laws — has led to a massive increase in state harassment of the black communities.

The British government is starting a similar course. This increase in state harassment of the black communities is indicated by black deaths in police custody, growing tension between black communities and the police, the introduction of US-style long handled batons and CS gas, Operation Eagle-Eye last year, and new police powers in the Asylum and Immigration Bill.

Alongside this is the intensification of a coordinated approach aimed at limiting the access of asylum seekers to refuge in the European Union.

This has involved the introduc-

tion of measures in each country in line with a number of clear principles: establishing a 'white list' of countries from which asylum claims will be considered *prima facie* without foundation, introducing the 'safe third country' principle as a basis for immediately deporting asylum seekers who have passed through another country on route to their final destination and effectively narrowing the 1951 UN Convention on Refugees to define it as not applying to those fleeing civil disorder or war but only to those being individually persecuted.

In the context of the current EU Inter-Governmental Conference it is likely that some elements of this will be brought into the so-called 'first pillar' of the EU, that is subject to European Community institutions and law.

Alongside the electoral considerations which led the Tory government to launch anti-asylum legislation in the run-up to the general election, the chief motivation for the new law was further 'harmonisation' of British asylum law with the rest of the EU.

The introduction of a criminal liability on employers for the immigration status of employees was the subject of a council of ministers recommendation on 'harmonising means of combating illegal immigration and illegal employment and improving the relevant means of control' of 22 December last year, stating: 'Any person who is considered, under the national law of the Member State concerned, to be employing a foreign national who does not have authorisation should be made subject to appropriate penalties.' This same recommendation called for a national register of all foreign nationals in each country and their status, regular identity checks including specifically in relation to welfare benefits and other increased powers.

A further recommendation of the same date on expulsion measures calls for centralised information on seats available on flights for expulsion purposes and for other forms of European-wide cooperation on deportation.

**T**he agenda on race being set in Europe is the over-arching structure within which the impact of the Labour government will play itself out.

**By Anna Samuel**

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Honky,  
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The Aloof

# East Europeans start to question NATO expansion

'In a broad new policy statement that is in its final drafting stage, the Defence Department asserts that the US political and military mission in the post-cold war era will be to ensure that no rival superpower is allowed to emerge in Western Europe, Asia or the territory of the former Soviet Union... [and] makes the case for a world dominated by one superpower whose position can be perpetuated by... sufficient military might to deter any nation or group of nations from challenging US primacy.'<sup>1</sup>

Thus ran the *International Herald Tribune's* summary of a US government document which spelled out, as early as 1992, US military planning following the break-up of the Soviet Union. Crucial elements of that strategy are now being put in place — notably NATO expansion into eastern Europe which started with the bombing, then military occupation of Bosnia and, after Russia's presidential election, will proceed to the next stage, which is the admission of individual east European states.

The Pentagon document explains US strategic thinking on how to maintain its supremacy vis a vis its chief rivals: Japan, Germany and, above all, Russia.

The policy statement made clear that the US government's first priority is to prevent any reintegration of the former Soviet Union.

The Pentagon says: 'The fragmentation of the former Soviet military establishment has eliminated the capacity for any successor power to wage global conventional war'. But it recognises that Russia is the sole power in the world today, 'with the capability of destroying the United States.' Hence the overwhelming priority given to preventing any recreation of the Soviet Union and sustaining a capitalist government, subservient to the US, in power in Moscow.

At the same time, the Pentagon plans that 'US strategic nuclear weapons will continue to target vital assets of the former Soviet military establishment.' The US will 'defend against such a threat farther forward on the territories of Eastern Europe should there be an alliance decision to do so.' That decision on NATO expansion has been made.

The purpose of NATO is made clear: it is the vehicle which pro-

vides 'sufficient military might to deter any nation or group of nations from challenging US primacy.'

NATO prepared the ground for its move into East Europe with the launch of the so-called Partnership for Peace at a summit meeting in January 1994. This is the precursor to the full integration of parts of East Europe into NATO. Twenty seven countries are now participating in PIP, including Poland, Hungary and the Czech Republic — the first three Eastern European candidates for NATO membership.

NATO plans to pick the first batch of new members at a special summit early in 1997. Entry negotiations and ratification by present NATO members would mean the first group of countries would be expected formally to join NATO by about 2000. A summit of NATO foreign ministers, together with the 27 PIP foreign ministers, took place in Berlin on 3-4 June to plan the expansion. In anticipation of enlargement, troops from several PIP countries have already taken part in NATO exercises. The Czech and Polish contributions to NATO forces in Bosnia were a practical launch of the PIP. Hungary has provided America with a former Warsaw Pact base at Kaposvar, as a staging post for US troops which America wants to turn into a permanent military base.

NATO plans for expansion into East Europe are a clear threat to Russia, where opposition to having the most powerful war machine in the world move up to its borders is overwhelming. Even Yeltsin had to reflect this popular opposition to NATO expansion, although he will finally capitulate to the US on the issue. Nonetheless, NATO expansion provokes alarm in the broader circles of the Russian military leadership. Thus the *Financial Times*

noted that: 'Russian officials are using new, and in some cases disturbing arguments in the campaign to dissuade the Atlantic Alliance from moving eastwards.. Among Moscow's new arguments is the prospect that Russian military commanders will insist on upgrading the role of tactical nuclear weapons in their own defence system to counter a growing western challenge.'

'During the cold war, NATO tactics were based on an early use of battlefield nuclear weapons... Mr Alexander Kononov, head of a military analysis centre at Moscow's influential US and Canada Institute, argues that the Russian army could develop its own version of this doctrine if it believes NATO's forces are moving closer. 'The Russian military may argue that tactical nuclear arms are the only cheap and available weapons,' he told a conference... Mr Sergei Rogov, director of the institute, was similarly apocalyptic: NATO expansion would 'revive military brinkmanship and the arms race between Russia and the west' and boost the neo-imperialist camp in Russian politics.'<sup>2</sup>

At the end of 1995, it was made clear that any east European state joining NATO would have to agree to foreign troops and nuclear weapons being stationed on east European soil. As the *Wall Street Journal* put it: 'No matter how one packages it, NATO enlargement moves the military responsibility of Germany and the United States closer to Russia's borders.'<sup>3</sup> The Pentagon policy statement of 1992 specified 'that with the elimination of US short-range nuclear weapons in Europe and similar weapons at sea, the United States should not contemplate any withdrawal of its nuclear-strike aircraft based in Europe.'

The Russian atomic energy minister and member of Russia's National Security Council, Viktor Mikhailov, recently threatened to annihilate military bases in the Czech Republic if tactical nuclear weapons are ever deployed there. The *Guardian* commented that: 'the deployment of such weapons in

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**'NATO plans for expansion into East Europe are a clear threat to Russia, where opposition to having the most powerful war machine in the world on its borders is overwhelming'**

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Eastern Europe would be an act of incredible folly... But the very fact that such ideas can be floated may alarm some Russians and should certainly terrify us.<sup>4</sup> But the US has made clear that is precisely what NATO membership entails. The second plank of US military strategy in eastern Europe is to permanently detach the other main states of the former Soviet Union from Russia. The key to this is US intervention towards Ukraine — because any reintegration with Ukraine would recreate a super power and change the entire balance of forces between Russia and the US. If the US were to fail in its efforts to prevent the left from coming to power in Russia, its orientation to Ukraine would become absolutely central — posing the possibility of the country being pulled apart between the pro-Russian industrial east and the western Ukraine. In those circumstances Poland and Slovakia would find themselves on the front line of the new east-west conflict.

**N**ATO's eastward expansion is already agreed, it now only awaits the outcome of Russia's presidential election in order not to further weaken Yeltsin. As the *Wall Street Journal* put it: 'With the presidential elections in Russia only two months away, NATO has an understandable desire to downplay its plans for enlargement.'<sup>5</sup> After all, as a *Financial Times* editorial stated, 'no-one wants... to help Gennady Zyuganov, the Russian communist leader, achieve victory in June.'<sup>6</sup>

As these realities sink in, particularly the clarification of membership conditions and the experience of the bombing in Bosnia, they are jolting public opinion in east Europe.

Jonathan Steele analysed this as follows: 'The new hesitancy over terms of NATO membership appears to be a revival of the mood which swept through central Europe a decade ago during the fierce debate about stationing Soviet SS-20 and American Pershing and Tomahawk missiles on each side of the cold war divide. In Germany and central Europe many felt they would be the first victims of an exchange of medium-range nuclear missiles by the two superpowers. Central Europeans are realising that NATO membership carries risks as well as gains.'<sup>7</sup>

The financial cost of membership is also becoming clear. The Rand organisation, a US think-tank,

reckons that the cost to NATO of admitting Poland, Hungary, the Czech Republic and Slovakia could be \$42 billion, spread over 10 years. The US, of course, will make the countries concerned foot the bill. This would be a further enormous cost added to the effects of the economic collapse which followed the re-introduction of capitalism into these countries.

As the *Wall Street Journal* said: 'even among some NATO aspirants — whose parliaments are now dominated by former Communists — it is unclear whether sufficient public support exists for enlargement if it means shifting public expenditures from social programmes to defense to raise the standards of their armed forces.'<sup>8</sup> The Hungarian government, for example, recently eliminated 10,000 hospital beds and will soon be raising retirement age and massively cutting pensions.

In a survey in Hungary published at the end of last year, support for NATO membership had dropped from 46 to 38 per cent and opposition had risen from 11 to 30 per cent. In Poland, 59 per cent were against foreign troops and 82 per cent against nuclear weapons being stationed there. Backing for NATO membership has also cooled in the Slovak Republic. An opinion poll in April showed only 38.7 per cent in favour of joining, compared to 42.5 per cent last December.<sup>9</sup>

A similar change in sentiments in the Czech Republic, led delegates to a Social Democratic Party con-

gress at the beginning of this year to force a change of position on their leadership from support for NATO membership to a call for a referendum. The Czech Social Democrats policy is now modelled on Denmark and Norway. Although NATO members, these countries do not accept foreign bases and nuclear weapons on their territory.

**R**ising opposition to NATO is one of the most progressive developments in eastern Europe since 1989. Socialists in western Europe must give it every possible support.

Furthermore, any advance of the left in Russia is likely to render its opposition to NATO expansion more real and thereby fuel such anti-NATO sentiments in eastern Europe — whose populations have no desire to find themselves on the military frontline of a new cold war.

**By Meg Bradley**

'Rising opposition to NATO is one of the most progressive developments in eastern Europe since 1989'

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## Government and Change: O P T I O N S for a lasting peace in Ireland

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# US Labour Party launched

On 6-9 June over 1,000 delegates gathered in Cleveland, Ohio to launch a Labour Party in the USA. The founding convention was supported by nine national unions and hundreds of local union branches. Union delegations formed the majority with delegations from chapters (similar to constituencies in Britain) and members at large forming a large, vocal and more radical minority.

The convention was the culmination of a process which began in the 1980s when the left-wing Oil, Chemical and Atomic Workers union (OCAW) began a campaign for a Labour Party. In 1990 Labour Party Advocates was formed with the intention of sounding out opinions in the unions. The response was encouraging enough for the OCAW executive to assign Tony Mazzochi, then its secretary/treasurer to work full time on the LPA project. It soon became clear that among union activists at local level there was strong support for a Labour Party. The LPA, campaigning under the slogan 'the bosses have 2 parties, we need one of our own' has grown surprisingly fast: the New York Metro chapter, for example, has grown by over 90 members since February, including 30 members who joined at a recent public meeting.

The convention adopted a radical program which included calls for: cuts in military spending; an index-linked minimum wage of \$10 an hour; comprehensive anti-discrimination legislation and support for affirmative action; a constitutional right to a job at a living wage; repeal of the Taft-Hartley Amendment and other anti-union legislation; universal health care; a 32 hour, 4-day work week; opposition to NAFTA and GATT; higher taxes for the rich and a wealth tax; a Just Transition Movement to manage the transition to a less environmentally destructive economy while preserving jobs, paid for by taxing corporate polluters.

Two issues proved particularly contentious: whether the Labour Party should be running candidates now and support for abortion rights. On both issues there was a clear division be-

tween the union delegates and the chapter delegates.

The first question goes to the heart of the dilemma faced by the LP. The current leadership of the AFL-CIO (the trade union confederation) and many union members remain firmly wedded to support for the Democratic party. The Labour Party has been built by applying a united front strategy towards this current at the top and among rank and file union members in local branches. The current around Mazzochi argued that to stand candidates now would destroy this alliance. It was argued that the pro-Democratic current can only be bought on board the LP on condition that their current relationship with the Democrats is not jeopardised and that the LP has to prove itself as a viable force — with a real base powerful enough to succeed in elections — before this current can be won away

from the Democrats. The electoral question was therefore deferred for two years after a heated debate.

On abortion, although there was overwhelming support for a woman's right to choose, delegates succumbed to the argument that putting this in unequivocal terms in the program would alienate many potential supporters. The convention voted for a woolly statement supporting 'full reproductive rights'.

Politics in the USA is dominated by two bourgeois parties with the Republicans and Democrats equally hostile to the working class. Workers have seen a relentless slide in their real income for the last 30 years regardless of which party was in power. One third of Americans have no medical cover and workers are increasingly forced into low paid, insecure jobs with no benefits. In many of the old industrial cit-

ies the social fabric is literally disintegrating. Young black males in Harlem, for example, have a higher mortality rate than people in Bangladesh. Prison building seems to be the only expansion in the state sector, with the US now jailing more people than any other industrialised nation.

Because of this lack of real choice, Americans have simply stopped voting in their millions. The US has one of the lowest voter turnouts in the world. Tapping this vein of disgust and frustration allows '3rd party' candidates like Ross Perot, however eccentric, to easily garner 20-30 per cent of the vote. The recent large vote, especially among blue collar workers, for the near-fascist Pat Buchanan serves as a warning of the potential price of the failure to fill this political vacuum. On 6-9 June, a first step was taken towards filling it. If the subsequent steps are taken, supported by sufficiently powerful sections of the US trade unions, it will represent an advance not just for the working class, but for everyone in the world oppressed by US imperialism.

**By Rashid Ashraf**





# The crisis of social democracy in Spain

The election of a conservative government in Spain earlier this year presents socialists throughout Europe with a challenge. The national coalition between the Spanish right and the Catalan centre-right may look contradictory given their historic differences. However, the political project they have forged has emerged in the wake of the failure of 14 years of social democratic government to create a sustainable socio-economic system to eradicate some of the social and economic problems of the working class. These years legitimated the language of the 'free' market and laid the basis for the conservative victory.

**T**he new conservative coalition may appear to have had difficulties in terms of the national question and the degree of autonomy for Catalonia and the Basque country, but on economic and social issues consensus has prevailed. The desire to curtail state expenditure and develop a systematic programme of privatisation is being legitimated with reference to the Maastricht criteria. The objective has become one of reducing the public debt and the public deficit in line with the guidelines established by the Maastricht Treaty. Monetary integration in the EU is thus both the objective and point of legitimation for public cut-backs.

The irony, however, is that this desire to commercialise the state, limit its role and enhance the power of capital at the expense of labour is not such a dramatic break with the policies of the previous socialist government headed by Felipe Gonzalez. The language of commercialisation and de-regulation was developed by social democrats.

This raises some very important issues for the sort of policies being developed in Britain by the Labour Party. The case of Spain provides us with a clear example of two strategic problems facing the social democratic tradition in Europe.

Firstly, the economic costs of European integration contributed to the adoption of policies that undermine the way in which social democrats have hitherto managed the state.

Secondly, the social democrats developed a political identity based on an engagement with the 'market' in both economic and cultural terms. This made it difficult for the 'left' to then provide distinct points of mobilisation and reference against the right. Spanish social democracy has been unable to untangle itself from its 'strategic' ventures into market led initiatives.

The social democrats always argued that the country had no choice

but to 'get onto the train of Europe'. Spain was brought into the EU and forced to organise its economic policies around the areas of monetary stability in Europe and keeping Spain attractive to foreign capital and inward investors. The PSOE government attempted to contain the direct and indirect costs of labour for this purpose. They privatised many state industrial concerns.

Within these projects reference to the EU and, subsequently, the Maastricht treaty was central. The use of EU quotas and the need to sustain the peseta at certain levels meant that proactive state intervention of any sort was limited to certain strategic areas of the welfare state and agricultural support.

Initially the PSOE attempted to implement these policies with their allies in the form of the socialist union the Union General de Trabajadores (UGT) — but eventually the UGT found the price of this partnership too great.

The PSOE accepted the myth that procedures in Spain led to the most expensive redundancy payments in Europe and caused employers to avoid hiring staff. Spain has had an unemployment rate of almost one quarter of its workforce during this period, and witnessed the destruction of nearly two million jobs since 1988. Added to this, one third of the workforce were (and are) on temporary contracts.

The virtual severing of the PSOE's relations with the main union confederates in the late 1980s did not raise many concerns within the party, especially amongst its executive members who were contributing in both academic and political forums to the fashionable debate regarding 'the end of labour' and the advent of post-modernism.

A massive series of 24 hour general strikes against public cutbacks and de-regulationist measures in the labour market with turnouts ranging from 50 to 90 per cent of the union

had very little effect on the PSOE's policies, which proceeded to steadily dilute regulations and legal controls in the labour market. Hence the last ten years of the PSOE government saw a growing conflict of social and economic policy with the unions.

It would be wrong to ignore some of the advances of the PSOE government in health, pensions and education. In the context of these the PSOE received 37 per cent of the vote in the 1996 general election. Left Unity which had campaigned vigorously on the political and economic constraints placed on Spain by the Maastricht Treaty took a further 11 per cent. However such policies were a subordinate element of PSOE's programme.

The PSOE promoted itself as the only force capable of administering Spain — due to its 'experienced' leaders and more 'civilised' political values when compared to the Spanish right. Lack of internal party democracy and the organic absence of the working class within the structures of the party and the state contributed to an increasing lack of transparency within the party.

The emergence of evidence of corruption, alongside links with death squads that had been targeting Basque independence activists, further discredited the PSOE.

The last 14 years of PSOE government thus served to establish the groundwork materially and ideologically for anti-statist economic and social policies. When, in May, the new conservative prime minister Aznar invited trade unionists to his residence it was clear to the unions that after more than a decade of socialist government their role had been reduced to a symbolic presence in certain minor institutions of the state. However, it is the unions who will be on the sharp end of the anti-welfare policies dictated by Maastricht.

In 1996 Spanish social democrats found themselves paying the price of assuming that European capitalist integration has no alternatives. British social democrats should study this case carefully — the price of a moment of political dominance achieved through these means may be political anonymity and electoral obliteration.

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'A massive series of 24-hour general strikes had little effect on PSOE policies... relations with the main union confederations were virtually severed in the late 1980s'

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By Lazaro Martinez

# India after the elections

The Indian elections which finished on 7 May marked an historic crisis of Indian bourgeois nationalism, organised in the Congress (I) Party. Congress won less votes than following its hated emergency rule in 1977. The issue now is which political forces will prove capable of creating a viable political alternative — the left or the chauvinist communalism of the BJP.

Following the BJP's brief 13 day government, now H.B. Deve Gowda, Chief Minister of Karnataka, has become Prime Minister heading the United Front-led government (the National Front-Left Front electoral alliance plus some regional parties) with Congress support.

Gowda only got nominated to this position after V.P. Singh, ex-premier and leader of the Janata Dal, and Jyoti Basu, Communist Party of India — Maoist (CPI — M) and Chief Minister of West Bengal, had declined the position.

India is at a political and economic crossroads. The results represent a serious crisis of bourgeois nationalism, with Congress (I) no longer hegemonic in Indian politics.

To look at the results in detail. With 161 seats, the BJP is the largest single party. Congress (I) won 136 seats — its lowest ever result. The National Front-Left Front won 117. The left won 10 per cent of the parliamentary seats and is in a strong position to make a difference to the outcome of this crisis. To do so will require an examination of the real reasons for the defeat of Congress, an understanding of the danger the BJP represents to Indian national unity and particularly to oppressed minorities, and policies to raise agricultural growth and consumption and the living standards of the working people and the poor in the cities and rural areas.

Congress received 28 per cent of the popular vote (ahead of the BJP with 22 per cent and the NF-LF with 18 per cent). But its votes were dispersed across the country and in the smaller electoral states. More than half of parliament's seats are concentrated in 10 of the total 31 states. However, the BJP has a concentration of seats in the *largest* electoral states — 52 out of 85 in Uttar Pradesh, 18 out of 54 in Bihar, 18 out of 48 in Maharashtra (15 also went to its allies, the Shiv Sena), 27 out of 40 in Madhya Pradesh,

16 out of 26 in Gujarat, 12 out of 25 in Rajasthan and 5 out of 7 in Delhi.

The Left Front's strength is concentrated in West Bengal, where it won 33 out of 42 seats and 10 out of 20 seats in Kerala. The Left Democratic Front gained control of Kerala state assembly from the Congress-led United Democratic Front.

Although Congress has the largest number of seats in a limited number of states — Orissa with 16 out of 21 and in Andhra Pradesh with 22 out of 42 — it won seats in a total of 25 states.

The National Front received 21 out of 54 seats in Bihar, 24 out of 85 in Uttar Pradesh, 15 out of 28 in Karnataka, 16 out of 42 in Andhra Pradesh.

The reason behind this political crisis is the failure of Congress to maintain the social bloc of national unity that propelled it to power in 1947 at the head of the national independence movement. Nehru's policies, which were built on international capital inflows into India, to create social reforms and establish an import-substitution economy to strengthen Indian industry came apart as the flows of international capital dried up and the Indian economy started losing capital in the late 1970s — in the period of global capital shortage.

This crisis was brought to a head by the break-up of the Soviet Union, which was a primary trade bloc for India and came to a head in 1991, when the Congress government under the 'liberal' Finance Minister, Manmohan Singh, embarked on a series of economic reforms to restructure the Indian economy by opening it up to international capital. The South Korean model of export-led growth was their essential strategy. The dream was the Indian economy reaching the heights of countries with much smaller populations — Singapore, Hong Kong, Taiwan and South Ko-

rea — and which are also heavily dependent on imperialist military and financial investment. The economic strategies followed in these states necessitated internal suppression, including military dictatorships, to destroy the labour movements.

The capitalist balance sheet of the reforms is highly positive. They praise Congress for delicensing most sectors, chopping taxes and tariffs, allowing foreigners to own majority stakes in local industries and signing the World Trade Organisation treaty over strong domestic opposition.

International capital wants a political party in government which will carry these policies forward to smash up the public sector — the bastion of the Indian labour movement, attack state support to agriculture, reduce social welfare and base its policy on the priorities of the international 'free market'.

The left paints a different picture of Congress' record. India's foreign debt, in rupees, has doubled from 1,63,000 crore (equivalent to a hundred million) in March 1991 to 3,37,000 crore in September 1995. Foreign currency reserves are rapidly declining: falling by \$4.5 billion between March 1995 and January 1996. The rate of growth of the manufacturing sector has fallen to 5.5 per cent compared with 8.7 per cent over the previous five year period.

Gross domestic savings and investment rates have averaged only 22.5 and 23.3 per cent respectively over 1991-2 to 1994-5 compared to 23.6 and 27.0 per cent respectively in 1987-88 and 1990-91.

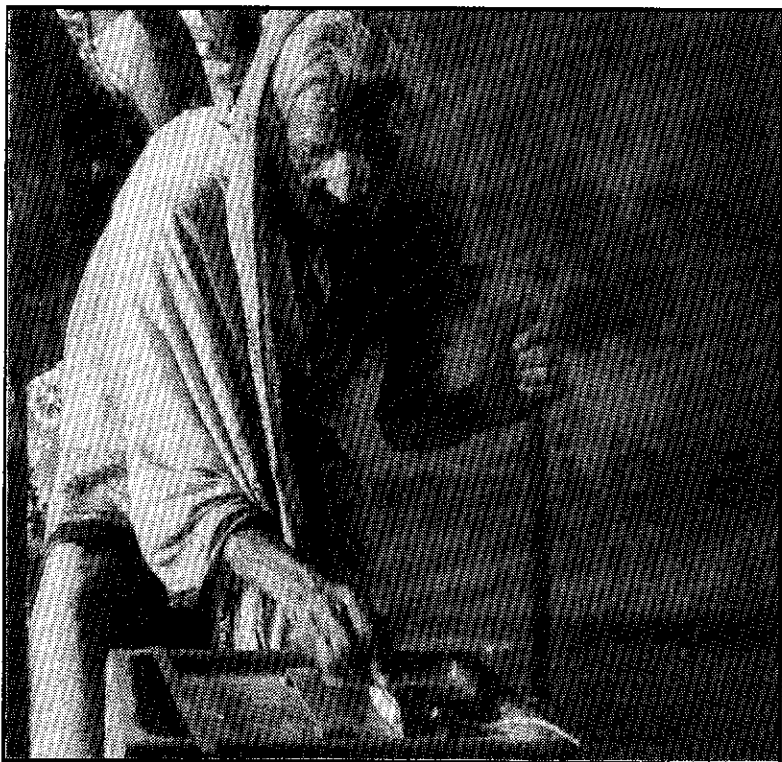
In agriculture, figures for irrigation (potential created per annum in thousand hectares) show a picture of neglect: falling from its peak of 1,000.5 in 1974-78 to 410.5 in 1990-92.

A group of leading economists issued a joint statement in which they questioned the sustainability of this economic policy. They stated: 'The past five years have witnessed a deterioration in the performance of the broad economic indicators, an erosion of India's sovereignty and an attack on the living standards of the working people and the poor. Against this background we

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'The result of the elections represent a serious crisis of bourgeois nationalism'

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call for long-term structural change in the economy, and for immediate measures to raise the rates of capital formation, strengthen India's position in the world economy and put the working people and the poor at the centre of the policy.' (*Frontline* magazine, 3 May)

The BJP's vote has been welcomed by capitalism, while within India it has aroused huge anxiety and caused much alarm especially amongst the 120 million Muslims. Mark Nicholson writing in the *Financial Times* stated: 'the markets would prefer a BJP government, despite the party's reservation about some forms of foreign investment because the party has far more clearly delineated free-market, trade and industrially-minded policies. An NF-LF, regionally-backed combine would give greater cause for concern, even if Congress somehow underwrote it' (13 May).

*Asian Age* reported that: 'The BJP has promised to set up a 'disinvestment' panel to suggest ways of privatising state-owned units. That has heartened stockmarkets, which look forward to the sale of chunks of shares' (17 May).

The *Economist* like much of the capitalist press tried to play down the anti-Muslim character of the BJP and its allies with incredible statements such as: 'Indeed, Shiv Sena's leader is said to be on good terms with the Muslim criminal gangs of Mumbai (Bombay)'

The *Financial Times* also began the task of figuring out how to dis-

mantle Indian democracy: 'It may also be necessary to create an all-India political institution to focus the country's sense of national identity and provide it with an executive less dependent on fragile parliamentary majorities. The obvious solution would be an executive presidency' (30 May).

*India Today* clearly identifies the economic rationale for such 'political reforms': 'for the economy, continued foreign support for its reforms programme is likely to be critical, as this is where a very large share of the investment required for growth will have come from. Building foreign confidence will require an increase in the pace of reforms... sharp cuts in electricity and irrigation subsidies, and controlling the budget deficit. All that will require a very strong government'.

In other words, to implement very unpopular policies which will hurt very large sections of India's population in pursuit of a South Korean-type export economy needs very repressive measures. No wonder the favourite option is the BJP (at the moment). The United Front is seen as too beholden to anti-reform interest and social groups.

The BJP has emerged from a position of 2 seats in 1987, 88 seats in 1991 to its present position as the largest political party. Its communalist politics seriously threaten the break-up of India.

The spinechilling Prime Ministerial statements of Atal Behara Bajpayee (BJP's parliamentary

leader) reveal its real character. He justified the attack on the Babri Masjid in Ayodha. He attacked the 1947 Constitution of India by stating: 'secularism was included in the Constitution only during the Emergency and since then it has been used to appease the Muslims.' He attacked minority communities saying: 'They are always thinking of a separate identity ... they refuse to be part of the mainstream which makes them pawns in political games.' 'If they think in the language of minorityism, then the majority community will think in the language of majorityism. If we remain in power for a few years, we will try to change their mindset'. And he praised the paramilitary Hindu chauvinist force Rashtriya Swayamsevak Sangh (RSS): 'Nothing will be done by these hands of mine that will cast a slur on the shining glory of the RSS... Attempts are being routinely made to weaken our national efforts, bans are imposed on the RSS and discrimination is practised against us all the time'.

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'The United  
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The BJP-Shiv Sena state government in Maharashtra had cancelled the Srikrishna Commission, which was investigating the anti-Muslim riots in Bombay, and has also wound up the Minorities Commission. A BJP government would clearly unleash much oppression and violence, posing the threat of a partition-type situation amongst 933 million Indian people.

**T**he United Front government will quickly disintegrate if it tries to follow the same route as Congress — or worse, attempts to attack its own agricultural, working class, oppressed, minorities or poor base by following the recipe of 'extending reforms' based on the priorities of international capital, into agriculture, the public sector, welfare, health and education, and if it suppresses production for internal consumption purposes rather than expanding it. The question is whether the economic example of China and the new rise of the left in Russia will create a regional dynamic posing an alternative to an economic and political subordination to imperialism. An Indian left allied to the left in Russia, and to China, would be a force capable of ensuring that the crisis of bourgeois nationalism in India benefits the working class and peasantry, rather than the chauvinists of the BJP.

**By Atma Singh**

# The Hungarian left platform

Since the defeats of 1989, and the break up of the ruling communist parties, the working class in eastern Europe has been struggling to develop leaderships which can effectively articulate and defend their interests. In some cases the most advanced sections of these emerging leaderships have evolved out of the former communist parties, and currently exist within parties which also include some of the most pro-capitalist of the former communist forces.

A very clear example of this can be found in Hungary, where the politically most advanced grouping is the Left Platform within the ruling Hungarian Socialist Party (HSP) which, although elected on a mass working class vote, follows free-market, pro-EU, pro-NATO policies.

The group which constitutes the Left Platform was formed initially within the Hungarian Socialist Workers' Party (HSWP), in its latter days, as the People's Democracy Platform, led by Tamas Krausz to fight the party's increasing orientation towards the full restoration of capitalism. The dominant grouping in the HSWP, however, was the Reform Alliance led by political scientist Attila Agh, which was determined to set up a new party on the principles of the market economy. The perspective of this latter grouping won out in the formation and majority perspective of the Hungarian Socialist Party. But rather than setting up a separate party, Krausz's PDP decided to join the HSP to preserve a united mass party, within which they would retain the right to organise as a platform to promote alternative economic and social policies.

The HSP thus encompasses both the reformist pro-capitalist trend and the left opposition who are anti-capitalist but remain within the Socialist Party trying to put it onto a realistic left course. The former ruling Kadarists are now in the Workers' Party and remain anti-capitalists.

Although the Left Platform is small, it is articulate, well organised and mounts regular political challenges to the policies of the HSP leadership, putting forward concrete alternatives which take it out of the realms of mere political rhetoric. Last November it produced an extensive *Declaration of Principles* which outlined the Platform's position on: the transformation of the world system and the left; the reasons for the collapse of state socialism and the lessons to be learnt; socialist identity; the systemic changes; and possible political demands.

It describes the HSP in the following way: 'The HSP is the most characteristic organisation of the building up of the bourgeois system, inasmuch as within it one can find the political representatives of almost all the social groups in Hungary... Bank capital, trade unions, workers, entrepreneurs, intellectuals and pensioners — all have their specific position in the HSP. However, bourgeois interests play an overwhelming role.'

The basic economic argument of the Left Platform is that capitalism in Hungary means domination by multinational capital, and that this could be restricted by the government to the benefit of the Hungarian population. The document argues that 'within the growing capitalist system the socialist party should first of all, and above all else, represent the interests of workers, the unemployed, small producers, disadvantaged women and young people starting out in life — in short, they should represent 80 per cent of society. Thus the political struggle should extend the representation of the special interests of the workers in cooperation with the trade unions and other self-organising communities.'

The document concludes that unless the HSP expresses the interests of the mass of the people, then it could quite easily be swept away at the next general election by nationalist populism.

Almost every conceivable type of political orientation has emerged from the wreckage of the former communist parties in both western and eastern Europe and indeed the former Soviet Union. Understanding and identifying the different trends and their objective positions in class terms is crucial in order both to understand the political period in which we are working, and to enter into dialogue with other forces working to develop the international working class movement and its new leaderships.

**By Kate Hudson**

We reproduce the following extract from the Left Platform's *Declaration of Principles* as a contribution to the debate on the recomposition of the left wing of the international workers' movement.

# The left Transformation

**T**he neo-liberal — sometimes called neo-conservative — 'revolution' which, since the beginning of the 1970s, has gradually spread over the whole world, has achieved radical results. The essential point about this turn is that it has given way to the 'free market', 'entrepreneur capitalism' and to the almost unrestricted rule of financial capital and moved away from the organised capitalism of the welfare state. The state monopoly capitalism that gained strength in the 1930s has become multinational capitalism, and this has brought fundamental changes in the relations between the different sectors and regions of the world system.

For the vast majority of the world's population, this transformation has resulted in catastrophic economic and social consequences...

In 'underdeveloped' and semi-peripheral countries the selling off of state property and the one-sided opening of markets (to the advantage of the 'developed' countries) has caused the large-scale collapse of domestic production. For many, this process of accumulation of capital is the beginning of 'modernisation'. In fact, the pressures of external debt, according to international financial organisations, has devalued the price of goods and labour in these regions. Moreover, the 'underdeveloped' countries, under the duress of debt repayment, have been forced to give the competitive part of state property to multinational companies. Yet, at the same time, the technical-economic differences between the developed and under-developed regions of the world did not decrease, but became even greater. This is the fate waiting for Eastern Europe as well.

Meanwhile almost everywhere, from Africa to Eastern Europe, multi-party political structures emerged in which capital got rid of its traditional economic and productive constraints. Everything was subordinated to the new strategy of capital accumulation (which ideologists of the system call 'creative destruction'). This process has caused astonishing destruction, without any creativity: the tendency is for capital to flow from the weak countries to the wealthier ones. To-



# platform of the Hungarian Socialist Party of the world system and the left

day, even some leading liberal intellectuals in Hungary acknowledge this fact, which was formulated by our platform as early as 1989-1990. The East European region is now in a crisis as deep and persistent as that of 1929-1933.

China, Vietnam and South East Asia appear to be examples of positive economic growth. Yet the general crisis of civilisation has seized the whole world system. Even with high levels of growth, it has not been possible to conceal the fact that these remaining state socialist 'islands' have been internally severely shaken and cannot close their eyes to the tendencies of capitalist restoration.

In most regions of the world that are experiencing de-industrialisation, or rather the process in which traditional industries are forced to the periphery, capital has scattered a significant mass of the industrial working class. Millions have been made unemployed or been deprived of minimal social security by 'free enterprise'... The increased differences between the rich and poor regions of the world are an expression of the restructuring of the world economy and world society. Millions of people have been deprived of a significant part of the social achievements for which they struggled for many years. This process has also been felt by the forces of the left in the developed countries of the centre: they have become disorganised, scattered or 'liberalised'. Everywhere the trade unions have begun to decline and their influence has decreased. The legendary French trade union movement represents hardly 10 per cent of the workers. Latin America, most parts of Africa and Eastern Europe are the main losers in this 'reordering' of the world economy.

The direction of economic resources has everywhere fallen under the supervision of international capital, banks, international financial organisations and the centres of power. By means of privatisation, the local compradors of the multinational companies, or the layers of nouveau riche who serve them (along with their political representatives), have transformed primitive accumulation of capital into personal private enrichment, from Russia to India, from

India to Hungary.

Millions can make no use of the extension of political democracy because material and cultural poverty has created apathy or provided opportunities for right-wing populism, as the institutions of democracy produce only disappointment. In Eastern Europe, during the process of systemic change, the system of democratic institutions has so far been capable of obstructing the forces of the extreme right, although the socialist-social democratic parties that have come to power have not been able to implement any kind of socialist programme. The working class has been defenceless against the liberal separation of economic and social democracy from liberal political democracy, which naturally has strengthened the position of capital in the process of reproduction. The Hungarian left which criticises the system has been peripheralised.

While the international media and propaganda centres promote the notion of the new capitalist revolution, the information society, and the advances of technology, at the same time more than half the population of the planet do not have the use of a telephone...

The left has not only been unable to prevent privatisation, which transforms all types of communities into market and money relations, but in many places it has raised the flag of private expropriation under the slogan of increased productivity. In fact, however, nowhere in the world has privatisation resulted in an increase in the living standards of the people, the broadening of mass culture, or an improvement in living conditions. Its result has been the opposite.

The left in Eastern Europe, up to now, has been incapable of changing its strategy. It has either dissolved itself in liberalism or stuck conservatively to the defence of the welfare state. But resurrection of the old East European type of welfare state cannot be done in the changed circumstances of the world economy. Nor is there a need for it. A renewed socialist movement cannot build such a programme unless it wants, once again, to spread the structures of a bureaucratic state.

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It is for this reason that the socialist movement can only start out from the conception of the 'cheap state' in sketching its vision of the society of the future. Neoliberalism's 'anti-statism', capital's 'annihilation of the welfare state', implies that the population will have to pay for all social expenditure. Parallel with the impoverishment this process creates goes a decrease in public security evident in: an increase in crime, environmental damage, prostitution, illiteracy and, as in Eastern Europe over recent decades, a drastic decline in life expectancy. In the United States today, 7 per cent of the working population are employed to defend wealth and property. In other words, the rich protect themselves in the new situation, while the great masses of the poor are left to their own devices.

It is a tragic fact, but it must be acknowledged, that the international left did not understand in time the directions and stakes of the transformation. The energy of the left has been drained in the struggle with daily problems. In its defensive struggles the left has only made half-hearted attempts at formulating long-term plans, and it has not really taken these seriously itself. Thus it is not surprising that the traditional communist and social-democratic solutions have failed and been pushed to the periphery or 'liberalised'. The new left, on the other hand, has at most only reached the stage of initial formation.

**T**oday, with the passing of the earlier euphoria of 1989-1990, and as a result of the pressure of the impoverished and sinking millions, organisations of the left are beginning to understand the depth and intensity of their defeat. The greatest defeat of the international left was the world historical turning point in which the Soviet Union, in other words, East European state socialism, simply collapsed.

● A more extensive version of this statement can be found in *Labour Focus on Eastern Europe*

# Cuba: US imperialism does not let go

The shooting down by Cuba of two pirate planes originating in Miami and piloted by men from the rabidly anti-communist organisation "Brothers to the Rescue," provided a pretext for US President Clinton to sign the infamous Helms-Burton Bill on 12 April, thus making it law. This law is aimed at tightening the illegal US blockade against Cuba. It targets countries, individual, and third parties who trade with Cuba. With it being election year in the US, Clinton has his eye on his own prospects for re-election. Most US anti-Cuban legislation has been passed in election years.

**T**he immediate background to the Helms-Burton Law is the Cuban economic reform. This is based on three key criteria: a constant injection of hard currency in the form of foreign investment, the sole source of this precious commodity for a country such as Cuba; the defence of the key social and economic gains of the revolution, namely, free health, education and so forth; the country's re-insertion into the world economy so as to overcome the loss of around 80 per cent of its foreign trade.

These policies have brought about economic growth: 0.7 per cent in 1994, 2.5 per cent in 1995, and a projected 5 per cent for 1996 (*Financial Times* 25 March).

The Helms-Burton bill consists of two parts. Firstly, with the excuse that foreigners (read non-US capital) are investing in property that at one point was confiscated by the revolution, they are liable to be sued in US courts in litigations that can cost millions of dollars; this is beefed up with provisions that directors, managers, and even ordinary employees of such companies will be refused visa entries into the US, this also includes their families. Secondly, it establishes conditions under which the US would lift the economic blockade, which include measures such as a transition government (i.e. the overthrow of the existing one), the total dismantling of all existing armed bodies of the Cuban state, the satisfactory payment of compensation for all the property confiscated by the revolution, and the development of conditions which will bring about a full-blooded market economy. It demands the abject abandonment of Cuba's self-determination and sovereignty.

The international response to this act of unparalleled aggression has demonstrated that the US is

rather politically isolated.

The Helms-Burton law violates the principles of the World Trade Organisation (WTO) because it obstructs the flow of foreign investment to a country and militates against free trade. The law has a blatant extra-territorial character in that it attempts to apply sanctions enshrined in a US law for actions carried out by non-US nationals outside US territory. The blockade has already been overwhelmingly condemned four times at the UN General Assembly. US imperialism has responded by intensifying its aggression.

The European Union, many governments in Latin America, Asia, Africa and the Caribbean have openly condemned the law. Even Canada and Mexico have added their voices. The Rio Group of Latin American countries which includes Mexico and Panama stated that this legislation 'ignores the basic principle of respect to the sovereignty of the states and whose implementation would mean an extra-territorial application of US law, which is inimical to public international law.'

Furthermore, the otherwise docile Organisation of American States agreed a resolution condemning the Helms-Burton law for 'its extraterritorial repercussions which affect the sovereignty of third countries' and asking the Inter-American Commission of Justice to urgently investigate 'if the Helms-Burton Law conforms to international law.' Twenty three countries voted for the resolution, 10 abstained, with 1 vote against, the United States. The US representative at OAS denounced the resolution as 'flagrant interference'! (*El Pais*, 6 June)

One of those companies is Sherrit International, a Canadian mining company which has a joint

venture with Cuba on the extraction of nickel. The company also has investment in oil production, tourism and agriculture. Sherrit has called for diplomatic efforts to resolve the dispute. The same predicament is faced by two Mexican companies, Cemex, the world's third largest cement manufacturer, and Grupo Domos, which own a stake in the Cuban state telecommunications. Both Mexican companies are believed to be on a US hit-list compiled by the State Department.

It is too early to be conclusive about the long term effect of the Helms-Burton law.

The European Union, despite its initial condemnation of the law, has brought talks with Havana for an economic cooperation agreement to a halt, demanding internal political changes in Cuba before proceeding any further with it. This is a reminder to the solidarity movement with Cuba that, although Europe disagrees with the US on tactics, it fully supports a restorationist course.

In a rare display of independence from the Atlanticist umbilical cord, Britain has sturdily condemned the Helms-Burton law. Sir Leon Britan, Europe's trade commissioner, attacked the law saying that the US have set back global economic liberalisation and jeopardised the multilateral trade system that the Helms-Burton law was extra-territorial and expropriatory suggesting that it also breached US international obligations. (*Financial Times* 22 May).

In a similar vein, Malcolm Rifkind said that the US was threatening western unity and hurting its own interests by penalising European companies that trade with Cuba. He found the Helms-Burton unacceptable for 'No country has the right to tell companies in another country how they should behave in third countries.' (*Financial Times* 30 May)

Given the international relation of forces in the 'New World Order', there seems no doubt that the Helms-Burton Law will hurt Cuba's economy. The question is, by how much and for how long?

**By Javier Mendez**

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'In a rare display of independence Britain has condemned the US Helms-Burton Law.'

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# The meeting of feminism and disability

*The disability movement, just as much as the women's movement, derives its impetus from an understanding that 'the personal is political'. Encounters with Strangers, Feminism and Disability is a collection of essays in which accounts of personal experiences are used to illuminate the operation of oppression within the lives of disabled women. Caroline Gooding considers the issues.*

The essays incorporate a wide spectrum of experiences, from mental health survivors, and women with physical and sensory impairments to women with learning disability. All share a feminist and disability rights perspective, which recognises that the denial of opportunities to disabled people is not the result of their physical or mental limitations but the social, environmental and attitudinal barriers which this book so vividly depicts.

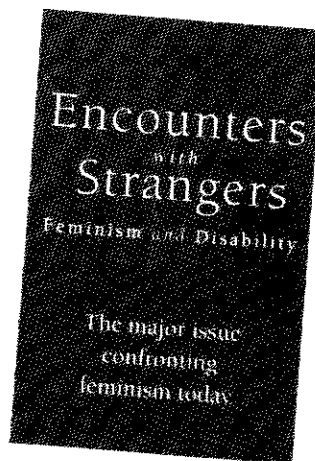
In her introduction Jenny Morris argues that all forms of prejudice stem from a refusal to identify with the humanity of others, and that prejudice towards disabled people in particular is rooted in an assumption that the quality of their lives is so poor as not to be worth living. At its most extreme, the denial of the value of disabled people's lives threatens to lead to imposed euthanasia. Recent cases sanctioning the withdrawal of food or medical treatment because of the low quality of the person's life have involved not only people in supposedly irreversible comas (known as 'persistent vegetative state') but also a young man of 26 who had no terminal illness but severe physical and mental impairments. Such decisions inevitably encourage the rationing of health care according to judgements about the quality of disabled people's lives and the removal of resources from long term medical rehabilitation units (which in some cases have succeeded in bringing people round from persistent vegetative states).

These same attitudes take their toll at every level. Lois

Keith describes being confronted three times in one day with the message, from various quarters, that being in a wheelchair is a fate worse than death. An experience which can in itself seriously damage a person's psychic health, or as she puts it: 'Doing disability all day long is an exhausting process'. In response to this, understanding the day to day manifestations of prejudice is an act of self preservation. Lois Keith's intricate meditation on her day to day encounters with the non-disabled world, and its impact upon her sense of self, not only explains to the unenlightened just what is so offensive about questions such as 'What did you do to yourself then?' and 'Do you get depressed a lot?', it also unravels the broader political significance of the forces at work in such daily events.

The devastating effects of this devaluation of the lives of disabled people is perhaps most disturbingly depicted in the book's two chapters relating to children.

In Margaret Kennedy's discussion of the sexual abuse of disabled children she quotes an interview with the parent of a deaf child: 'I wouldn't have brought it into the world to be like she is...Thank God you don't get many deaf kids'. The young offspring was aware of her parents views, and had internalised them: 'Mother told me she would have aborted me if she had known about German measles' [What do you feel about that?] 'Yes I agree about handicapped being aborted' [Deaf as well?] 'Yes'. The chapter goes on to describe the added vulnerability to abuse which this low self



esteem then creates.

Sally French's description of her experiences in a boarding school for blind girls paints a vivid picture of systematic brutalization and institutionalised abuse, which will shock those who think that 'charity' is about helping disabled people. From a recipient's perspective, charity hurts. As Jenny Morris explains: 'Feeling sorry for a person is part and parcel of hostility, of an inability to identify with him/her and entirely compatible with a tendency to inflict physical and/or verbal abuse'.

It is with an understanding of the prevalence and virulence of these eugenicist views, and the harm that they inflict, that non disabled feminists must approach the vexed issue of abortion rights. Ruth Bailey's thoughtful investigation of the implications of pre-natal testing describes the oppressive ideas of normality and what it is to be human that underlie many of the political, scientific and medical decision-making processes involved.

This essay provides one of the book's most pointed examples of how the women's movement has to engage with the arguments disabled feminists are raising. There is common ground in the emphasis on the right of women to make an informed choice about whether or not to have an abortion. But understanding the political context of such choices is

critical. Ruth Bailey questions the role of the state in promoting pre-natal testing and subsequent abortion to further the policy goal of reducing the incidence of childhood impairment. For example, why did the Government not choose the route of requiring bakers to add folic acid to bread, which would reduce the occurrence of neural tube defects by 75 per cent.

Other essays reveal further ways in which the integration of disabled women's concerns into the broader demands of the women's movement deepens its analysis and strengthens feminist politics. Looking at disabled women's experience of violence, for example, highlights abuse within residential institutions and by perpetrators who are trained 'carers' as well as those who are family members. Because this book is explicitly about resistance to oppression and strategies for change, it includes a chapter about the 'Powerhouse' — a refuge specifically for women with learning difficulties, created by women with learning difficulties and their allies.

There is also a discussion of the recent media campaigns depicting the 'plights' of 'young carers' living with disabled parents. Jenny Morris points out that feminists need to understand that this is part of the general attack on single mothers, since these are almost invariably the examples singled out for attention. Reporters and some researchers have effectively blamed the disabled mothers rather than the failure of the state to provide the support services to which they are legally entitled. An awareness of the disabled person's perspective on state services is an indispensable element of any attempt to save and improve the welfare system.

*Encounters with Strangers*  
Ed. Jenny Morris  
Women's Press £8.99

# Black nationalism and the Jazz Age

The 'Jazz Age' has long been identified with the roaring twenties, a period associated with fedora hats, Thompson machine guns, tenements teeming with immigrants, Greenwich Village bohemians, and, of course, the jazz band. JC Smith looks at a new book which argues that this definition, popularised by Hollywood, had little to do with the new black music that had emerged with the huge influx of black people into the cities.

This great exodus from the rural south to the urban north took place around the time of the First World War. Almost overnight there were new black urban neighbourhoods, with little involvement from the white music business or authorities. Consequently it was African-Americans who, working among themselves, organised the 'Jazz Age'.

In order to perform this new music it was necessary to fight for the most basic of civil rights, including the right to perform their own music in theatres in black areas, to get blues and jazz on record, to fight for black musicians to be allowed to join the Musicians Union, and to fight against segregated seating in music halls. The most bitter fight was to get the new jazz music recognised by the critics both black and white.

Those African-Americans escaping from the segregation and lynchings of the South also fought for greater civil rights and this was reflected in the development of jazz. Mass black organisations emerged in this period. They included Marcus Garvey's black nationalist million member strong Universal Negro Improvement Association (UNIA) which held miles long marches through Harlem consisting of African Legions, Black Cross nurses, military and jazz bands, and marchers with placards demanding the ending of lynchings, supporting the struggles in South Africa and Ghandi's civil disobedience campaigns in India.

UNIA had over 633 branches over the US often centred around a Liberty Hall. These halls would hold social events providing an

infrastructure for the new jazz artists to tour and gain experience. UNIA itself encouraged every Liberty Hall to establish its own band. The UNIA's paper *Negro World* would carry ads for dances and socials further spreading the names of new artists. The music obviously reflected this environment with titles such as *Garvey is the leader in whom we trust, We will follow Garvey, Garvey! Hats off to Garvey, The Homeland that we love and the UNIA anthem.*

This increase in black political organisation reached its height in the formation of black self defence squads in response to Ku Klux Klan invasions of black communities. In Tulsa an organisation called the African Blood Brotherhood (ABB) held barricades against a racist mob for two days and were only defeated when the racists hired aeroplanes to bomb the community.

Along with a growth in black organisations, the press flourished. Papers such as W.C. Handy's *Crusader* edited by Cyril Briggs, leader of the ABB, carried stories on music, culture, black business and support for the Soviet Union.

The *Messenger* was a monthly paper produced by black members of the Socialist Party. However unlike the *Crusader* the general view of the new music was that it was merely a ruling class plot designed to pacify the masses with 'gin, jazz, and sex'. Jazz it declared 'is essentially a capitalist production, it steals its melodies from all sources...then proceeds to ruin them. It is as noisy and rapacious as the system that creates it.' The SP believed



that the party should be colourblind on racial issues. Its definition of equal treatment left little room for the appreciation of cultural differences. All were to work together, under the leadership of the dominant group. The prominent socialist George Schuyler argued that the idea of a discernable African-American artform was 'hokum' and that all art produced in America was just American.

This was an indication of the pressure that white bourgeois society exerted on not only the policy of the Socialist Party but on the black editors of the *Messenger*. Vincent argues that the period allowed African-America to pioneer the breaking down of cultural colonialism and gave the music of the masses recognition as a form of art. This was reflected in the way that European music was often termed a 'better class' of music. The flip side to this view was that there was virtue in the earthy folk music of African-Americans which was to be counterposed to the attempts of the jazz artists to go beyond the acoustic sounds of the fields.

These views were very common and shared by organisations such as the National Association for the Advancement of Coloured People (NAACP). The NAACP had funded the establishment of the Black Swan record company but had deliberately attempted to

wean the jazz loving public onto more 'highbrow' tastes, releasing opera and classical music in preference to jazz and blues. Black Swan did not last long.

Vincent sees this as a key problem among the new black bourgeoisie; on the one hand was its attempt to assimilate — hence its attempt to push European music as a symbol of the acceptability of black America — and on the other its hostility to new forms of black music.

The black intelligentsia also organised 'paper bag parties' at which one's skin colour had to be lighter than a paper bag to enter, and the even more exclusive 'blue veins' societies, for those whose skin showed blue veins.

For Vincent the main division in the response to jazz is a class one. The response of Garvey's predominantly working class UNIA, and the *Crusader* was overwhelmingly positive. Garvey although not particularly interested in Jazz saw its progressive content and from a black nationalist perspective understood it as an unique expression of African-Americans. Briggs of the ABB felt that revolution had to encompass not just new economic relationships, but new relationships in all spheres of life — cultural, artistic, musical and philosophical. This led him enthusiastically to support jazz and blues.

The key argument employed by Ted Vincent is that the 'Jazz Age' could only have happened at this historical period for two main reasons.

Firstly, there was the development of a sufficiently large urban black community to provide the economic infrastructure for such an explosion in new music. Providing the artists with black owned venues, record companies, and a large audience. This period would come to an end with the Wall Street crash and the Great





Depression.

Secondly, the struggle for civil rights and the growth of black nationalism successfully led to large changes in segregationist practices such as the entry of black artists into the unions. The political climate no doubt acted as a catalyst on many performers with many of the artists engaged in political journalism, trade union, or political activism.

Vincent's book brings to life the vibrant times of the 'Jazz Age' and brings to light many of the key figures who made the period so important to the development of music today. The only real criticism that can be made is of the book's structure, which jumps back and forth between sections on individual organisations and newspapers.

Ted Vincent, *ed.*  
*The Black and the White*  
 in the Jazz Age  
 Pluto Press  
 Pp. 228 pp. £12.95

## A missed opportunity

*The current exhibition of William Morris designs at the Victoria and Albert to mark the centenary of his death is disappointing from a political perspective, says Sue Jones.*

**T**he exhibition emphasises Morris' artistic development stressing the influence of Pre-Raphaelites and shows his creative and intellectual brilliance, as an artist working with design in buildings, furniture, wallpaper, carpets as well as in prose and poetry. Morris wanted to take

quality and art to the majority not the minority.

The exhibition also fails adequately to address the commonly held view that Morris merely 'played at politics', able to indulge in socialist utopianism by stepping back into an England of the medieval guild system and which was 'small, green and clean'.

The exhibition similarly fails to consider Morris' hatred of industrial progress, which led him to conjure up romantic fables such as 'News from Nowhere' and the 'Dream of John Bull', a society where men and women were equal and all objects were handmade. Morris' views at this time were a very long way away from Marx's philosophy, but he still saw industrial production within the capitalist



system as an enemy.

The section in the exhibition on Morris' recruitment to Henry Hyndman's Democratic Federation in 1883, his subsequent role in the Socialist League together with Eleanor Marx and others, and his later political writings and lectures is particularly sparse, which is disappointing since this period in the development in Marxist politics, and Morris' part in it, is highly instructive for the contemporary socialist movement.

William Morris' socialism has modern day parallels in

the writings of EP Thompson and Tony Benn. Whatever the contradictions of his politics, he had nothing in common with those today, such as Tony Blair, who have tried to hijack Morris' mantle but who uphold the contradictory values of the family, attack lone parents, vilify the homeless and unemployed and refuse to support common ownership.

*William Morris exhibition, at the Victoria and Albert Museum, until 1 September.*



# Virtually equal or virtually normal?

*Jim Whannel contrasts two recently published books which have crystallised and extended the debate around lesbian and gay politics.*

Urvashi Vaid of the National Gay and Lesbian Task Force (one of the most important US Lesbian Gay political groups) has written *Virtual Equality* a lengthy account of her own involvement in the movement in the 1980s and '90s and the political view formed by that experience. Andrew Sullivan was until recently editor of the U.S. right-wing periodical *New Republic*. His book *Virtually Normal* is the form of an 'argument about homosexuality'.

Four broad positions are expounded and then criticised by Sullivan prior to a statement of what he sees as the crucial elements in a political programme for lesbians and gay men.

Although Sullivan is English his books are centred on the contemporary U.S. experience. Some of the central issues are either common to a British and European audience, or will become so soon as the lesbian and gay movement internationally is often influenced by the debates in the US.

Sullivan's argument is largely philosophical in the worst sense of the word. It is not located in the real world of Vaid's book where victories, defeats, personality clashes and strategies all affect the political ideas under consideration.

Sullivan sets out four positions which he believes are the current ideas around homosexuality — prohibitionism, liberationism, conservatism, and liberalism.

There are also smaller sections such as *What is a Homosexual* and the appalling final treatise *What are Homosexuals For?*

In developing an argument about feminism or racism can anyone imagine a chapter bearing the title *What are*

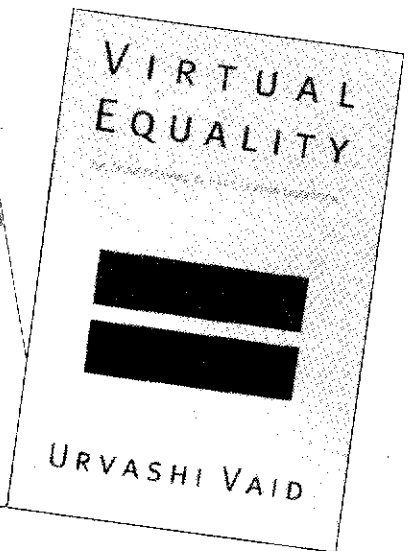
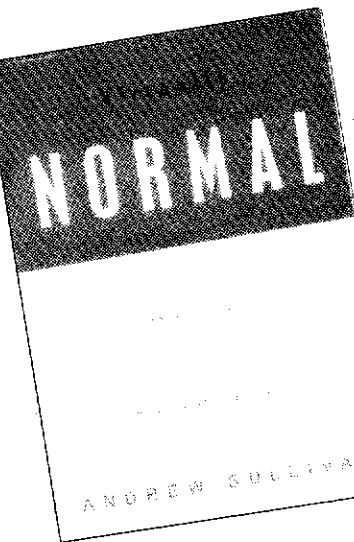
*women for? or What are black people for?* Suggesting healing what Sullivan posed as the 'gay-straight rift' by institutionalised marriage beggars belief. This caricatures and avoids the legitimate debate about registered partnerships and how lesbians and gay men should approach the denial of civil rights.

Having constructed the questions as he sees them he then proceeds to criticise them. There are clear problems in this. Some of the arguments are interestingly set out but missing is an explanation of, for example the *relevance* of medieval Catholic theology to the gay man on the dance floor at the Fringe or the young lesbian in the queue at Venus Rising (never mind their closeted brothers and sisters outside the metropolitan areas).

Sullivan's view that 'we have to embrace politics if only ultimately to be free of it' underpins his distorted observations on contemporary lesbian and gay movements. He is critical of ACT-UP's disorganisation. ACT-UP was all over the place and ultimately disintegrated but Sullivan ignores its achievements in drawing political attention to the AIDS crisis. This anti-political stance is of course dependent on Sullivan's narrow view of what politics constitutes.

Sullivan's final chapter urges homosexuals to put aside issues of parenting and children. We can instead 'throw ourselves into charity work' or we could 'stay late in the office ... work round the clock in a journalistic production and be the lawyer most able and willing to meet the emergency deadline.' So *that's* what homosexuals are for.

Urvashi Vaid's central contention is that we must not



see the attainment of civil equality as the final goal. For Vaid the final goal requires a new social structure for all oppressed groups. Civil rights struggles are only part of the strategy employed to secure 'liberation'. She argues strongly that it is impossible to have a position on lesbian and gay liberation without holding one on the oppression of women or the black communities.

This is a central divergence from Andrew Sullivan whose attention is absolutely focused on getting lesbians and gay men civil equality *without* necessitating any change in the social or economic organisation of society.

As Urvashi Vaid's book is a chronicle of events as well as an exposition of a political viewpoint some features of American society are immediately noticeable.

The comparative weakness of organised labour in the US, for example, creates problems for all the social movements.

There is also a clumsy approach to bisexuality and transgenderism. *Virtually Equal* operates on the presumption that there is a common set of political demands being raised by the 'lesbian, gay, bisexual and transgendered' movement. This is patently not true. There are no campaigns around 'bisexual rights' as there is no structured discrimination against

bisexuals. There is, of course, institutionalised, legalised and widespread discrimination against lesbian and gay sexuality. Only the homosexual aspects of a bisexual's life are discriminated against, or seen as problematic by bourgeois society.

The whole issue of transgender is much wider and separate from homosexuality (indeed the vast majority of transsexuals do not view themselves as homosexual at all but relate their dislocation to gender not sexuality).

This being said there is a weight of experience and genuine radicalism underpinning Urvashi Vaid's book. It is about action and involvement. Clear suggestions are made for the movement and the individual.

Ultimately Vaid's book is much more satisfying and complete. Perhaps at times the political essay and the chronicle of the movement's internal development do not sit well together, but the strength of this positioning is that her politics can be seen to be directed at and clarified by real events and activities. The difficulty in translating aims into practise is thus usefully demonstrated.

*Virtually Normal*, Andrew Sullivan, Picador, £14.99

*Virtual Equality*, Urvashi Vaid, Anchor Books \$24.95 (USA)

# The material basis of Euro-socialism

**For more than a decade the most coherent support for the process of concentration and integration of capital in western Europe has been provided by social democracy. The rise, and recent decline, of this current — 'Euro-socialism' — provides an object lesson in the way in which the politics of the working class movement are shaped not merely by its own immediate situation, but by its relations with all classes in society.**

**As Lenin put it: 'Only an objective consideration of the sum total of the relations between absolutely all the classes in a given society, and consequently a consideration of the objective stage of development reached by that society and of the relations between it and other societies, can serve as a basis for the correct tactics of an advanced class.'**

**Trotsky applied precisely this method to analyse the transfer of west European social democracy's allegiance after the First World War from its own 'national' ruling class to the rising power of United States Imperialism.**

**Assimilating that analysis in turn throws light upon the transformation of European social democracy over the past two decades, from a voice of Atlanticism in Europe, into the main political support for European capitalist integration within the labour movement.**

**The article which follows is extracted from Trotsky's 1923 speech *Perspectives of the European Revolution***

**I** want to analyse the place that American capitalism assigns to European radicals and Mensheviks, the Social Democracy of Europe.

The Social Democracy has been issued an assignment — and I do not at all say this for polemical purposes — to render political aid to American capitalism in placing Europe on rations.

What is the Social Democracy of Germany, of France now actually doing? What are the Socialists throughout Europe doing? Let us study this closely and ponder over it.

They are now educating themselves and they are trying to instil in the working masses the religion of Americanism.

They are teaching, or trying to teach, the toiling masses that Europe cannot maintain herself without the pacifying role of American capitalism and its loans. They are leading the opposition to their own bourgeoisie, as, for example, do the German social patriots — an opposition not from the standpoint of the proletarian revolution, nor from the standpoint of some sort of reforms, but from the standpoint of exposing the German bourgeoisie as intemperate, greedy, chauvinistic and incapable of reaching an agreement with the humane, democratic, pacifist capitalism of America.

This is now the central question of political life of Europe, and especially Germany. In other words, the European social democracy is becoming, before our very eyes, the political agency of American capitalism.

Is this development expected or unexpected? If we recall — and it is hardly a case that calls for recollection — that the Social Democracy is the agency of the bourgeoisie, it will become clear that the social democracy, by the logic of its political degeneration, is bound to become the agency of the strongest and most powerful bourgeoisie, the bourgeoisie of the bourgeoisies. This is the American bourgeoisie.

To the extent that American capitalism undertakes the task of 'unifying' Europe, 'pacifying' Eu-



rope and 'educating' Europe how to cope with the questions of reparations, and so on, and to that extent the entire dependence of the German Social Democracy upon the German bourgeoisie, and of the French Social Democracy upon their own bourgeoisie in France is gradually transferred to the chief master.

Yes, a great master has come to Europe, American capitalism. And it is only natural that the social democracy should assume a position politically dependent on the master of its masters. This is the basic fact for understanding the present condition and the present policy of the Second International. Those who do not grasp this early will fail to understand the events of today and of tomorrow and will keep sliding on the surface, subsisting on generalities.

More than that: one service deserves another! The social democracy prepares the soil for American capitalism; it runs ahead of the chariot, talks of the salutary role of American capitalism, sweeps the road, cleans away the rubbish, bestows blessings. This is not unimportant work!

Imperialism is accustomed to sending missionaries ahead. The savages in the colonies usually shot the priest, and sometimes ate him.

Then the warrior was saint to avenge the saintly one, and hard on the heels of the warrior came the merchant and the administrator.

In order to colonise Europe, to transform the latter into an American dominion of a new type, American capitalism has no need of sending priest-missionaries to Europe. On the spot, on the European continent, there is a political party whose entire task consists in proclaiming to the people the gospel according to Woodrow Wilson, the evangel according to Calvin Coolidge, the holy writings of the New York and Chicago stock markets. This is precisely the mission of present-day Menshevism.

But, I repeat, one service deserves another! The Mensheviks gain not a little thereby. As a matter of fact, the German Social Democracy not so long ago had to assume the direct armed defence of its own bourgeoisie, the same bourgeoisie that marched shoulder to shoulder with the fascists. Noske is, after all, the figure that symbolises the post-war policy of the German Social Democracy.

And today? Today it has a different role. Today the German Social Democracy permits itself the luxury of being in an opposition. It criticises its own bourgeoisie and thereby keeps a certain distance

between itself and the parties of capitalism.

How does it criticise its own bourgeoisie? It says: 'You are self-seeking, dull-witted, cunning, but here is a bourgeoisie on the other side of the Atlantic which is, first of all, rich and powerful; secondly, it is humane, reformist and pacifist, and it has again come to us and wants to give 800 million marks of cash in order to restore the currency'.

And this sounds very well in Germany — the gold mark! — 'But you, the German bourgeoisie, are obstreperous. After you have pulled our dear fatherland up to its ears in the swamp of poverty, how dare you be so stubborn before the American bourgeoisie? Why, we shall expose you mercilessly in the eyes of the popular masses of Germany!'

This is spoken almost in the tones of a revolutionary tribune .... in defence of the American bourgeoisie. This is the paradox of the German Social Democratic Party.

The same thing applies to France. Of course, in consonance with the political situation in France, and in consonance with the more respectable reputation of the French franc, everything in this country takes place on the sly and in modulated tones. But essentially

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'The social democracy... is bound to become the agency of the strongest and most powerful bourgeoisie'

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the same thing is being done there too. The party of Leon Blum, Renaudel and Jean Longuet bears a full responsibility for the Versailles Peace and for the occupation of the Ruhr territory.

After all, as we know, it is already incontestable today that the Herriot government, supported by the Socialists, stands for the occupation of the Ruhr. But now the French Socialists are enabled to say to their ally Herriot: 'The Americans are demanding that you clear the Ruhr under such and such conditions; do it .... We, too, demand it now'.

They are demanding this not through the will and strength of the French proletariat, but in the name of subjecting the French bourgeoisie to the will of the American bourgeoisie. It ought not to be forgotten that the French bourgeoisie owes 3,700 million dollars to the American bourgeoisie. This means something!

America can topple the French franc any time it so pleases. Of course, the American bourgeoisie

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'American capitalism is enabled to step to the fore in the guise of an organiser and pacifier, as some sort of humanistic, historical principle. And in passing, it creates a platform for social democracy far superior to the latter's nationalistic platform of yesterday'

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will not encroach on the franc. Oh, no! After all, the American bourgeoisie has come to Europe to restore order and not to bring ruin. It will not encroach... but it can encroach, if it so wishes. Everything is in its hands.

For this reason, against the background of this debt of almost four billion dollars, the arguments of Renaudel, Blum and others have a rather convincing ring in the ears of the French bourgeoisie. At the same time the Social Democracy in Germany, France and the other countries is enabled to oppose its own bourgeoisie, to carry on 'opponent' policies on some concrete questions, and thereby regain the confidence of a certain section of the working class.

Nor is this all. Certain possibilities of joint 'actions' are opened up for the Menshevik parties of the various countries of Europe. The Social Democracy of Europe already represents a rather harmonious chorus. In some respects this is a new fact. For ten years — since the beginning of the imperialist war — it has had no opportunity for pre-

senting a common front. Now this possibility exists and the Mensheviks have now come forward as a solid chorus, supporting America, supporting her programme, her demands, her pacifism, her great mission. And here we come to the question of the Second International in Europe.

Here is the key and the explanation for certain signs of life in this semi-corpse. The Second International, like the Amsterdam Trade Union International, is being re-established. Of course, not in the same form as before the war. The past cannot be resurrected; old strength is gone beyond return. The Communist International cannot be obliterated.

Nonetheless, with this damaged spine, they are seeking to rise on American crutches, straightening themselves up as best they can. The change that is taking place must be appraised to its fullest extent, comrades.

During the imperialist war, the German Social Democracy remained most closely and quite openly tied to its own bourgeoisie, its own military machine. The French Social Democracy, to its own. What kind of International could there be so long as they savagely fought each other? There was no possibility whatever for maintaining a mask of internationalism, or even a shadow of it.

In the epoch of the drafting of the peace, the same situation existed. The Versailles Peace represented simply the seal set upon the results of the imperialist war on diplomatic paper. Where was there room for solidarity? The situation remained essentially the same in the period of the Ruhr occupation. But now great American capitalism comes to Europe and it says: Here is a plan of reparations for you, Messrs. Mensheviks!

And the Social Democracy accepts this program as the basis for its entire activity. This new program united the Social Democracy of France, Germany, England, Holland and Switzerland.

Once again we see here the same paradox: when American capitalism launches into outright brigandage, it is fully enabled to step to the fore in the guise of an organiser and pacifier, as some sort of humanistic, historical principle.

And in passing, it creates a platform for the Social Democracy far superior to the latter's nationalistic platform of yesterday.

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