

## AUTHORITARIANISM, DEMOCRACY AND THE TRANSITION TO SOCIALISM

James Petras

### *Introduction*

The issue of democracy cannot be discussed independently of political and social context. Eighteenth century democratic revolutionaries, as well as 19th and 20th century anti-colonial revolutionaries, liberal democratic and contemporary socialist practitioners have at one time or another supported varying degrees of democracy or authoritarianism according to the political context. While some writers have espoused the notion of supporting democracy everywhere and at all times, in practice this has proven to be an untenable position, leaving the way open to a number of unsatisfactory solutions which include: (1) proclaiming the principle democracy and divorcing it from practice, (2) redefining democracy to include authoritarian practice, (3) invoking vague juridical formulas to cover immediate *ad hoc* expediencies and then revoking them when the situation becomes manageable, (4) specifying a set of contextual circumstances in which democratic freedoms can be suspended for a specific time frame for particular sets of transcendent political reasons. It is sheer demagoguery devoid of historical substance simply to wave the flag of democracy at every point and place in history—particularly in periods of large scale, long term changes from one social system to another. On the other hand, it is a perversion of democratic sensibility to make a virtue of historical necessities, to extend and institutionalise authoritarian practices beyond the particular context in which they were evoked and to claim that the new autocratic polity represents a higher form of political governance.

The celebration of 'democracy' has become a major canon in the new orthodoxy of new liberals and older ex-radicals. Fulsome and uncritical praise is lavished on electoral processes, and stinging invective on any regime—no matter what its security status—is reserved for those which fail to measure up. Postures of indignant agitation are struck in the face of any who would suggest that there are profound class and historical issues that necessarily enter into the debate on the relation between democracy and socialism.

What is most perverse is that the 'rediscovery' of liberalism (an 18th century doctrine) is presented as the latest discovery in political thought, transcending '19th century Marxist orthodoxy' and purporting to describe

a new post-Marxist era. Accompanied by bromides about the inadequacy of historical materialism, the discussion focuses on the uniqueness of politics, the absolute autonomy of culture and the centrality of discourses. At a time when western market economies have been experiencing a decade of stagnation and close to 30 million unemployed, western intellectuals are proclaiming the all-round efficacy of the market—to the point of hyphenating it to socialism. As the real-existing market economies regress toward continuing crises and mass unemployment, western intellectuals have become even more determined to attack 'statism' in the name of non-existent idealised versions of the market. The real class constraints and historical issues that impinge on the relationship between democracy, authoritarianism and socialism have been obscured.

This paper will consider the issue of socialism and democracy in two contexts: (a) in the Third World and (b) in the socialist bloc. In the Third World two historical experiences will be discussed: (1) the relevance of democratic socialism in the transition from authoritarian-military to democratic regimes; (2) the relevance of authoritarian and democratic practices in the transition to socialism. In our discussion of the socialist bloc we will discuss alternative reform strategies to the dilemmas of bureaucratic centralism; we will focus on the emergence of neo-liberal market and technocratic alternatives to democratic socialism. The problems of democracy and socialism posed in the Western world revolve around a different set of issues involving essentially the failure of the western social democratic parties to create alternatives to capitalist dominated class structure and political institutions. The latest round of social democratic regimes, particularly in Southern Europe, have gone further in the direction of promoting neo-liberal policies than their Northern neighbours and their policies actually erode some of the positive reforms of the welfare state. But that is for another discussion.

My choice of topics reflects a concern with major *contemporary* processes that are *relevant* to the discussion of democracy and socialism. More specifically, a number of third world countries, in particular several in Latin America—are in the process of redemocratising': moving from authoritarian military dictatorship to democracy. The relationship of democracy to socialism is central to that debate; yet the discussion has heretofore focused on other dichotomies: between democracy and dictatorships, civilian and military regimes, human rights abuses and civil rights, creditors and debtors. All the issues implied by these dichotomies are important and indeed have immense bearing on the democratic transition. But the larger socio-economic context within which the transition to democracy is acted out and more fundamentally the political-economic order and conditions within which democracy can be consolidated is not considered. The second topic chosen for discussion reflects the process of transition to socialism as it was attempted in Chile

and Jamaica, and is being attempted in Nicaragua. Two sets of position are rejected: the first sees the transition to socialism as an immediate extension and deepening of all democratic freedoms to all social actors; the second sees the transition to socialism as a period of prolonged one-party revolutionary rulership involving democracy of a 'new kind'—usually a sort of non-democratic form of representation through state-aligned mass organisations. We reject both perspectives: for failing to specify the context and boundaries, conjuncture and political actors, within which democratic and authoritarian practices take place, and the relationship between them. More specifically, our perspective criticises the proponents of democracy everywhere and always, for failing to develop a 'security' policy—for failing to specify the appropriate political, military and social policies capable of sustaining the social regime against its enemies (indeed the criticism can be extended to include a failure to recognise the nature and scope of the opposition and the consequences of their action). With regard to the proponents of popular democracy, the issue of democracy is subsumed within a national-security metaphysics: the exceptional circumstances of direct threats is extended, the number of enemies is constantly enlarged and the emergencies become norms; democracy is registered as a luxury, impugned as a lower form of political organisation, redefined to include authoritarian centralised rulership. My contention is that specified boundaries for authoritarian practice are necessary accompaniments to the transition to socialism; just as democratic practice must create an adequate political-defensive framework before and during the process of socio-economic transformation.

The third choice of topics reflects the major changes occurring in the socialist bloc countries and attempts to interpret the meaning of those processes using two distinct concepts: liberalisation and democratisation. The former describes what is the ascendant tendency within the reform movements—the implementation of changes increasing the scope of the market, the role of technocrats and the margin for socio-economic inequalities. The contrast between liberalisation and democratisation is central to understanding certain Communist countries' integration into the world market and the limits of change from the point of view of democratic socialism. The growth of democratic trends within the socialist bloc is perceptible, incremental, and reversible; to the degree that liberalisation both increases political space and social inequality it creates a contradictory future in which the deepening of the democratisation process could become a defining issue. The discussion of the relationship between democracy and socialism is not only of academic interest but has important practical consequences in shaping struggles, movements and societies in the coming period.

*From Authoritarianism to Democracy: The Relevance of Democratic Socialism*

The basic problem in the transition from an authoritarian regime to democratic rule is that it contains built-in constraints which severely strain the capacity of the newly elected regime to consolidate the new political institutions, leading to a new round of popular mobilisation and the recurring phenomenon of military authoritarianism.

Reaching agreement with the military and their US backers (private and public officials) democratic politicians uphold the continuity of (1) the senior military officer corps—its school, programmes, recruitment procedures, etc.; (2) the payment of the external debt; (3) the existing distribution of wealth, property and taxation. In this context, 'economic recovery' impels the democratic regime to extract surplus from the lower class, seek new foreign loans to offset current payments, limit fiscal and structural reforms to a minimum. The result of the 'democracy of compromise' between the right wing authoritarian military and the liberal democratic forces is a *democracy whose socio-economic content reflects the continuities with the previous regime*. The government of *liberal democracy* acts as a *funnel* for overseas bankers. It remains a *component* within an authoritarian state structure, and a *broker* between different competing 'interest groups' (trade union officials, grain exporters, farmers, industrialists, etc.). The democratic regime's commitments to the bankers and the state structures preclude it from taking substantial and tangible measures to meet the claims of its mass electorate, leading to alienation, and increasing conflict. The cumulative effects of popular disaffection can result in the regime increasing the role of the military and police in the political system.

Several popularly elected regimes in Latin America illustrate the dilemmas of the liberal version of 'redemocratisation'. Prior to taking governance, the US backed military regimes were in deep crisis: between 1975 and 1984, the gross external debt had increased by 300 per cent; interests and profits had increased by 566 per cent; the per capita GDP was a negative 2.2 per cent per year in 1981-84. <sup>1</sup> Inflation sky-rocketed from 50 per cent per year in 1976-81 to 175 per cent in 1984. As capital flows declined and interest and profit repatriation increased, there was a net outflow of 23 billion dollars from Latin America. In most countries, real income had declined precipitously, from 20 to 50 per cent over the decade. The military and its Washington backers had bequeathed to the democratic regime highly polarised societies with deteriorating economies and standards of living, which were at the same time squeezed by debt. The massive capital outflows necessitated new financing and the entrance of the International Monetary Fund with its class selective 'austerity measures' designed to shift the whole burden of recovery on wage and salaried earners, social programmes, public owned enterprises and the

local market. The combined impact of producing large export surpluses and the continual drain through debt payments led to massive civilian popular protests throughout Latin America. The military and their US backers were totally discredited; without support from any significant political sector, they turned toward negotiating with civilian politicians. The eventual return to electoral systems was, however, based on the agreement by the incoming civilian regimes to honour their debt payments, to preserve military prerogatives, to exclude radicals from power. The cases of two of the earliest democratising countries in the region is instructive regarding the disastrous consequences which these compromises have in consolidating democracy. In 1981, Fernando Belaunde became President of Peru and immediately acceded to meeting its financial obligations while increasing military spending to accommodate the outgoing military. In addition, a programme of economic liberalisation was adopted, in line with the prescriptions emanating from Washington. These policies have produced the worst socio-economic crises of the century. GDP fell by 11 per cent in 1983. Per capita income fell by 13.3 per cent between 1981-1984. Manufacturing output declined by 20 per cent during the first three years of the liberal-democratic regime. Unemployment and underemployment reached an unprecedented 63 per cent of the economically active population. The social polarities and increasing misery resulting from 'real existing liberalism' had several political consequences. First, Shiny Path (Sendero Luminoso) guerrilla group gained considerable support throughout the highland interior. Secondly, the military was summoned by the Belaunde regime to repress it, resulting in the worst human rights abuses in decades (4,000 civilians killed, jailed, disappeared). Thirdly, the government party liberal democrats plunged to being the fourth party in the recent elections, receiving about seven per cent of the vote. Finally, the combined social democratic (46 per cent) and left-socialist (21 per cent) vote covered over two thirds of the electorate. The Peruvian experience demonstrates the inefficiency of liberal realism which attempts to consolidate democracy primarily through meeting the claims of the banks and the military. The newly elected social democratic APRA president, Alain Garcia, in his first pronouncements acknowledged as much when he stated that Peruvian development and reconstruction could not begin without some sort of moratorium on debt payments. There remain serious doubts, however, over whether Garcia and the APRA regime will have the political will to follow up the Presidential rhetoric with concrete measures. The transition from military to democratic politics in Bolivia follows a similar pattern. The democratic regime of Siles Suazo (which included liberals, social democrats and pro-Moscow Communists) initially attempted to follow IMF prescriptions, pay past debts, and preserve military perquisites. The consequences were equally catastrophic. Per capita fell by 25 per cent between 1981-

84; inflation soared to 3,000 per cent by 1985, while annual interest payments soared to 400 million—an amount which if invested in Bolivia would stimulate income, jobs and productivity. The political consequences were massive general strikes by labour and the peasants, leading to the temporary suspension of debt payments and the increasing reliance of Siles on the military to retain political control. The political environment created by the liberal regime's policies have been propitious to the growth of new military intrigues and a new round of military coups is not unlikely.

The new-elected Alfonsín government in Argentina came to power facing the same debt problem as the other elected regimes, but with a discredited and much weakened military and a massive popular mandate to straighten out the economic mess left by Alfonsín's predecessors.

The government of Raul Alfonsín is instructive on the pitfalls of 'negotiated democracies'. While Alfonsín initially talked of a 20 per cent budget cut in the military, in fact a recent study cites a continued arms build-up. As part of their 'political realism', the Radicals (liberal-democratic party) attempted to avoid confronting the military establishment's role in the mass torture and disappearances by handing the investigation over to . . . the military. The massive popular outcry over the military tribunal's predictable exoneration of all military officials forced Alfonsín to accept a new civilian Tribunal. As the Tribunal proceeds and accusations mount, the military has returned to conspiratorial plots against the regime. As the liberal regime answers to its democratic constituency, the conditions agreed to with the military unwind; to the degree that the Alfonsín regime fails to heed the democratic electorate in pursuit of its agreements with the bankers and military, it increases the level of discontent. This is clearly evident in the area of economic policy. Alfonsín promised increases in income for wage and salaried groups to permit them to recover the levels of the mid-1970s. These promises, however, are not compatible with his agreement with the IMF requiring huge export surpluses to service the foreign debt. As long as Argentina's liberal-democratic regime abides by its agreements with the international bankers, the external debt will consume 50 per cent of export earnings and six to eight per cent of the GDP. The real decline in wages under Alfonsín has already provoked several major labour conflicts and more are in store. Between the bankers and the military squeeze on the one side and the human rights, labour and salaried groups on the other, the negotiated electoral change secured by liberal democracy is in tight straits. After attempting to mediate between labour and the IMF on June 14, 1985 Alfonsín announced a drastic economic shock programme acceptable to the IMF: an indefinite freeze on wages, prices, and public sector tariffs, a new currency (the austral), and a commitment to stop printing money. The Alfonsín government lacks the administrative machinery to control prices and its external obligations will require it either to borrow or print money—reigniting the

inflationary spiral and squeezing labour. The initial support by over eighty per cent of Argentinians (including labour) for the plan indicates their desperation, and the continuing political capital of Alfonsín. Nevertheless, the programme's commitment to meeting its external obligations at the expense of local consumption and investment will eventually erode support.

Let us be clear: we are for redemocratisation. The problem is not *democracy in the abstract* but the *particular commitments* and policies that specific sub-sets of politicians undertake in the process of assuming government and ruling. Commitments to meet the obligations of overseas bankers are not compatible with fulfilling the social claims of labour and the promises to business of economic recovery. The continuity of the military institutional structure and high military spending is a constant constraint on the elaboration and implementation of consequential redistributional policies.

Reallocating income toward revitalising and modernising local productive facilities and recovering labour's standard of living requires a new framework for politics; one that recognises the indivisible linkage between political and legal changes and the institutional and structural transformations needed to sustain popular electoral support for durable democratic institutions. Long-term legitimacy of the elected regime depends on a moratorium on foreign debt payments. This is so, first, because the debt was contracted by an illegal military regime; assuming the debts of the illegitimate regime supports a degree of continuity and proximity that weakens the beliefs of the electorate in the authenticity of the democratic change. Secondly the legitimacy of the regime is based on its effectiveness in *reversing* the patterns of economic relations: reallocating resources *toward* the domestic economy and away from the overseas bankers. The persistence of previous patterns of outflow of payments can only lead to the erosion of the democratic regime: the political change will be seen as so much effluvia amidst the continual economic blood-letting.

The inability thus far of the supporters of the democratic transition to consolidate democracy belies the stage theory of democracy on which they base their strategy: the first stage is 'liberal democratic' and therefore to be led and controlled by moderate forces. Subsequently—an unstated time frame—'democracy' will evolve socio-economic policies to deal with pressing problems. This approach overlooks the compromise and links between the liberals and the state, liberals and the bankers, and the liberals' own commitments to sustain themselves in office as 'brokers' among diverse interests. The commitments assumed by liberals in power define the future trajectory. The institutional and international continuities from the past define the parameters of 'realism'. A realism that empties representative institutions of substantive politics and leads to large scale popular defections, the growth of extra-parliamentary activity, the resurgence of

militant struggles and the civilian liberal invitation of a greater military presence. The authoritarian-democratic cycle makes another turn...

In all the newly democratising nations, there exists a vast mass movement opposed to the existing military regimes, the policies of the banks and of the IMF. They have been the victims, not the beneficiaries, of these policies. While there are important socio-economic differences among the opposition, the great majority, particularly wage and salaried workers and employees and small business people, are in favour of shifting resources from overseas payments and military salaries and procurement to investment in locally-owned productive facilities, social services and local consumption. These social forces and their interests coincide with the pragmatic position of the region's socialist movements. The strength of the socialist forces varies from country to country: in Bolivia the labour movement is second to the military in effective power. In Peru, the left (The United Left Coalition) is the second electoral force in the country. In Argentina, the situation is much more complex, as the major political opposition to the government is the Peronist movement, which retains many of the authoritarian right-wing leadership of the recent past. Thus, while socialist movements are better situated than the current liberal regime to carry out systematic reforms, they still confront the formidable enmity of the military, divisive internal rivalries and, in the case of Argentina, a meagre presence in a labour movement still controlled by 'populist' labour bosses. Nevertheless, socialists and labour have, in some instances, been successful in pressuring liberal regimes to limit debt payments, even if none of the regimes until now has followed the socialist lead in declaring a moratorium on debt payments. Even out of government, the socialist presence through continual struggle has modified the conditions under which the original liberal-military transition to democracy was effected.

To return to our basic question, the issue of the transition from authoritarian regime to democracy indicates the relevance of socialism: in order for democracy to be consolidated and the alternating democratic/authoritarian cycle to be shattered, a series of measures which go beyond liberal reform politics are essential, and those measures are embodied in a democratic-socialist perspective which involves the dismantling of the authoritarian military apparatus and the reallocation of resources from the banks to the local economy.

#### *Authoritarianism, Democracy and the Transition to Socialism*

In discussing the relationship between democracy and the transition to socialism it is essential to distinguish three distinct but inter-related contexts that have a bearing on this question: establishing the *foundation* of the new social system; initiating the process of *institution-building*; creating the sources of *participation* and legitimation. Each one of these

moments defines the limits and possibilities of democracy: premature extension or delayed implementation of democracy can have disastrous results. For example, the exploitation by the opposition of democratic institutions led to the military intervention and US destabilisation of the Allende Government, preventing it from laying the foundations for a socialist transition. A not too dissimilar process occurred earlier in Guyana and later in Jamaica. On the other hand, the failure to promote democratic institutions subsequent to the foundation period, has adversely affected democratic development among many of the Communist bloc countries.

The two strands of socialist transition—the libertarian and authoritarian—and the problems that they embody can be best observed in the experiences of Chile under Allende and Jamaica under Manley, on the one hand and Cuba under Castro on the other.<sup>2</sup>

In the case of Chile and Jamaica, consequential efforts were made to redistribute land, income and political power through extensive nationalisation and expropriation of plantations, mines and industrial enterprises. New mass popular organisations were created and with varying degrees of effectiveness began to play an active role in making decisions affecting the workplace and community. In the international sphere, both regimes turned toward the non-aligned movement, took an active role in the struggle against imperialism and took the leadership in the struggle for a new international economic order providing more equitable relations between the industrialised and Third World countries. These structural changes at the national level and the international realignments, however, took place within a shell of institutional forces and arrangements which were fundamentally opposed to them. In both countries, the police and security forces were subject to imperial influence and funding; democratic officers and conscripts were purged or retired (in Chile the socialists participated in these retirements in order to pacify the right) providing the right with dominant control over the state apparatus. Most senior civil service bureaucrats retained their ties with their previous patrons among the foreign and domestic rich, blocking effective implementation of programmes. Capitalists, bankers and merchants protected by the state apparatus sent money abroad illegally, hoarded, sold on the black market, organised thugs to attack civilians—in a word, violated the law with impunity—given the benign attitude of the class-biased state. Parliamentarians and party opponents violated custom and reason by blocking any legislation permitting the basic operation of the constitutional system. The violence and conflict mounted and the opposition operated to undermine the popularly elected regimes. The Socialists failed to recognise the challenge to their democratic mandate and to assert their latent and overt authority and powers: to strengthen democratic officers and purge rightists in order to re-establish law and order; to strengthen executive power and temporarily recess parliament in order to pass essential budget-

ary measures; to institutionalise and provide resources to the newly elected popular workplace and community councils to implement legislation. By not restricting democratic participation to those who would destroy it (and who eventually did) and not deepening it for those who were its primary defenders, the libertarian socialists undermined the transition to socialism. It is ironic that today the major lesson drawn by many liberal-left commentators is that Allende and Manley went too far and too fast, and that they should have sacrificed major sectors of their programme to continue in office. This superficial interpretation overlooks the tremendous energy and support which the original changes engendered and which sustained the regime: mass movements of the increasingly class conscious and organised workers and poor cannot be turned on and off like a tap.

The major issue was that the changes in civil society were not accompanied by structural changes in the state: the issue is less the rate or even the scope of socio-economic change, but the coordinated shift in the organisation of state power. In fact, greater changes in state power would have allowed for a more measured tempo in social transformation. While it is beyond the scope of this discussion, increasing confrontation with the US required decreasing dependence on its financial and commercial networks. It is not good revolutionary strategy to retain vulnerability and increase militancy. The failure of Allende and Manley to secure the foundations of a new state to facilitate the gradual socialist transition, their continuation of the politics of capitalist pluralism when the bourgeoisie itself had adopted a more intransigent authoritarian mode of class warfare was fatal. The basis for real and effective pluralism existed on the foundations of the new state and mobilised social forces.

In the case of Cuba, the process of socialist transition was dominated by the confrontation with the US. The period of direct military intervention required a suspension of civil liberties, the centralisation of political power and the close coordination of civil associations by the state. Having successfully defended the revolution from imperial attack, the rulers of Cuba substituted temporary into permanent features of the society: state-party inter-lock became a positive feature of Cuban socialism. The exceptional and necessary conditions which originally evoked the particular measures of centralisation and authoritarian control were turned into 'virtues' and built into the basic conception of socialism. The exclusion of imperialist and capitalist restorationists was extended to limit democratic debate among socialists over issues of forms of representation, economic development strategies, market and plan, etc. The conflation of an exceptional time of military threat and long-term political development, of imperial enemies and socialist critics has led to the stabilisation of an egalitarian, but authoritarian political system. The ineffectiveness and unresponsiveness of this system led in the 1970s to

some constructive, but limited, reforms with the introduction of competitive municipal elections.

In summary, the libertarian and authoritarian trends embodied in these three experiences illustrate the problem of establishing the boundaries between democratic and authoritarian practices in the transition to socialism.

In order to develop a perspective on the problem of the inter-relationships of democratic and authoritarian practices it is essential to analyse each one of the above mentioned historical moments to establish the conditions and therefore boundaries which guide the utility of each practice.

### *Establishing Foundations: The Authoritarian Imperatives*

It is common knowledge that privileged property groups have not allowed themselves to be divested of their property, simply because a majority of the population is in favour of it. Nor have military rulers and the police apparatuses peacefully abandoned lucrative political offices to democratic regimes intent on dismantling the repressive machinery and prosecuting the criminal, corrupt and venal amongst them. And the US (and to a lesser degree Europe) has not readily conceded having client regimes displaced by insurgent democratic movements intent on developing a non-aligned policy. In our time, revolutions which are profoundly social, democratic and national in content have occurred only in the Third World and they have occurred in contexts of intense social, political and continuing military confrontation against a coalition of domestic military and civilian elites and their US backers. The conditions under which the political transformations occur favour the emergence of politico-military structures, organisations and discipline. The *implantation* of the new social regime reflects two processes: the mobilisation of the beneficiaries of the transformation and displacement of the adversaries. In summary the *transformation process* is a military-political *struggle* in which *resistance* and *repression* are the two major activities around which the two conflicting sides mobilise. Political victory establishes the basis for *foundation-building*: the establishment of a new productive system, social order and constitution establishing the institutions and procedures within which participation will occur. The process of foundation-building involves profound political and social polarisation, intense conflict, frequent resort to force as neither the displaced forces nor the newly established democratic regime share a common set of values, interests or political framework to resolve their differences.

The codification of the revolutionary transformation embodied in the new constitution defines the new structures of authority and representation. The openness of the channels for participation and the effectiveness of the operation of the new institutional order are dependent on the

degree of military security—as national survival dominates all other political realities. Continual military confrontation, particularly the conflict between an aspiring revolutionary democratic regime and an interventionist world power, requires the subordination of civilian economy to the military, democratic institutions to military mobilisation. The introduction of authoritarian measures is a direct result of the military conflict, which defines the scope and form of democratic participation. The conditions under which military definitions of political reality can be considered legitimate must from the beginning be defined as *exceptional circumstances*. Furthermore the *suspension of democratic rights should be clearly admitted* and defined as reflecting a specific situation. These conditions are necessary in order to prepare the groundwork for democratic rulership immediately upon the lifting of the *military emergency*.

Institutionalising the revolution at a time of military confrontation presents special problems. The imperatives of the military context define the relations between leaders and followers in centralist terms. Military forms of rulership, the acquisition of supplies through requisitions, conscription of labour power for defence purposes, the mobilisation of transport, leads to a strengthening of central authority rather than democratic give and take between leaders and followers. The organisational structure of society is largely inhabited by defence rather than representative political organisations. Where the latter do exist, their energy and time become absorbed by the defence issues.

Yet for all the difficulties that military security *necessarily* imposes on an emerging democratic regime it is absolutely essential that *political boundaries be established and respected*; boundaries that clearly distinguish between those political and social forces defending the old regime and those backing the new; between those who defend the country from the military aggression of the great power and those who do not; between those who defend the new foundations and those who do not. *Boundaries* serve basically two essential functions—restricting participation of those who would destroy the new regime and permitting it to those who accept the new regime but may differ on policy, institutional practices, etc. *Boundaries* are crucial in the process of democratisation in *recognising differentiation of interests in the post transformation period and avoiding amalgamation*: the lumping together of democratic critics with the enemies of democracy.

Pluralism, namely the toleration and affirmation of different viewpoints and interests within the new social system is thus built upon the establishment of the new foundation, its institutionalisation and codification.

With the end of military confrontation and politico-military warfare, civil society should begin to gain ascendancy over military-defence organisations. The basic problem in socialist transition is precisely the difficulty in this process of conversion from the period of foundation

building and defence with its authoritarian structures to the period of institutionalisation of democratic pluralism. The differences between the American Revolution and Civil War and the contemporary social revolutions in the Third World are not over the initial periods of authoritarianism—both processes engaged in very similar repressive processes with their internal enemies. Rather the difference is over the process of *conversion* and the *establishment of boundaries*: the American revolutionary leadership recognised the *time limited* nature of repressive measures and more or less delineated the group to be excluded from effective participation (to be sure numerous non-loyalists were also excluded from full participation including women, blacks, Indians, immigrants, etc.). Within the new boundaries (an independent republican nation-state based on private property) full participation was granted to debate and discuss the policies of the new regime. In contrast, in the post-revolutionary period the socialist regimes operate with 'elastic' boundaries: post-revolutionary policy critics are assimilated to counter-revolutionaries; the period of authoritarian rule is extended beyond the period of foundation and defence and *becomes the norm* rather than the *exception*. The differences in context between a period of struggle for survival and a period of peaceful development, between foundation-making and institutionalisation are conflated: the language of politics is violated and the imagery of permanent war is evoked. The *politics of amalgamation* is introduced: dissent and debate in the post-revolutionary period is subsumed with the military activities of the counter-revolution, serving as a pretext for continuous repressive measures.

The revolutionary socialists' incapacity to distinguish the necessary authoritarian measures of the foundation-defence phases from the subsequent periods is rooted in the relations between the two periods. Twentieth century socialist revolutions have exhibited two basic weaknesses: an inability to convert the movements of transformation into institutional configurations independent of central authority; an inability to consolidate the transformations and establish the boundaries for the free play off politics, combining a unitary government with pluralist participation. The ideological expression of this aberrant behaviour is the abstract generalised conception of the revolutionary classes and their social interest. By conceiving of *The Working Class* and *The Peasantry* and of their *Historic Interest*, the different and competing post-revolutionary classes and strata, their specific sets of immediate interests are obscured. Abstractness and Historicism serves to justify Monolithism.

In fact the passage from authoritarianism rooted in the imperatives of foundation-building and defence to the institutionalisation of pluralist democracy is blocked at several points. In the process of foundation-building, the agencies to establish the foundations are constricted to a limited group within the leadership which substitutes itself for the organised

participation of social forces. This *substitutionism* legitimates the leadership (who become the 'founding fathers') but constricts the role of the beneficiaries/protagonists of the transformation process. An elected constitutional convention is more appropriate for defining the basic features of the new social system than the genius of leadership. Secondly the process of institutionalisation is decisive for the development of democracy. The absence of autonomous civilian institutions, the incorporation and predominance of military defence institutions from the previous period into the centre of the new institutional universe, the removal of institutions from the control of the protagonists of change through a 'state-centric' conception of institutionalisation, and the blurring of the boundaries between roles and actors in the previous authoritarian military with the institutional phases, all coverage to reinforce the extension of authoritarianism into the new institutional process. An alternative democratic conception envisions the proliferation of autonomous civilian organisations, the subordination and diminution of the role of military-defence organisations, societal control and direction of the new institutions independent of the state, and the demobilisation of military and dismantling of the repressive measures. These measures create favourable terrain for the emergence of a pluralistic socialistic state.

Purposeful blurring of boundaries is the hallmark of authoritarian government: the boundaries between phases, actions and actors. Deliberate *specification of context* and immediate objectives, undermines the authoritarian impulse toward amalgamation, and provides the basis for moving from constraints to free expression.

### *Pluralism, Democracy and the Socialist Transition*

The term 'pluralism' has been used and abused in many different contexts in discussing the issues of socialism and democracy. Pluralism refers to the existence of a variety of competing interests, ideas, policies among a variety of political forces each seeking to influence decision-making structures. Many conservative and liberal ideologies however associate pluralism with a *specific* set of socio-economic interests in a *given* social order with a *particular* distribution of political power. For Liberals and Conservatives the presence of capitalist property owning groups defending property interests, profits, etc., with private control of the media and political machinery subject to the unequal distribution of economic resources, defines the minimum conditions for discussing 'pluralist politics'. Unfortunately many socialists agree with this view and commit two opposing types of errors. Authoritarian socialists lump capitalist-defined conceptions of pluralism with the generic type and repress all expression Of that's pluralism we are against it'). Libertarian socialists concede the conservative-liberal conception, permit property groups to dominate strategic sectors of the economy and society, thus exploiting their position

to destroy democracy. The authoritarian response by failing to distinguish between a notion recognising a plurality of interests within collectivist society and the ideologically-loaded capitalist conception of pluralism, contributes to the homogenisation of society and the installation of a monolithic political regime. In the authoritarian setting, political conflict is transferred to a series of interest groups located in the bureaucratic interstices of society. The socialist adaptation of the liberal conception of pluralism has led to several efforts to incorporate capitalist cooperation in the transition to socialism. Chile under Allende and Jamaica under Manley made efforts to induce private capital to cooperate in the economic development of the country. In both cases, capital responded by massive illegal and legal transfers of capital, running down plant and equipment, and working in tandem with international capital and the United States to destabilise and erode the popular base of the democratic-socialist regime. Subsequent to the downfall of the socialist regime, the self-styled conservative upholders of pluralist democracy supported a military dictatorship in Chile and an authoritarian conservative parliamentary regime in Jamaica.

A more realistic conception of socialist pluralism is evidenced in the efforts of the Nicaraguan government to fashion a political framework for socialist transition.<sup>3</sup> The transformation of the state apparatus, the initiation of dynamic public and cooperative sectors and the rapid growth of autonomous (or semi-autonomous) mass organisations has provided the foundations for an electoral process involving a broad range of competing social groups, interests and programmes. The most essential positive aspect is that the democratic civilian organisations are debating issues and programmes during a period of military defence and infusing the process of institution-building and foundation-making with the pluralist ethos. The reaction of the counter-revolutionary forces has taken two forms (1) to ally and subordinate themselves to the policy of the US imperial state as armed mercenaries, (2) to penetrate the political arena in order to weaken the foundations and institutional framework upon which the new social order rests. Their strategy is to manipulate the notion of pluralism to include bourgeois control of the strategic institutions of political decision-making (media, state) and economic development (public enterprises). Unwilling to accept the new social and political parameters of pluralist participation, the bulk of the Nicaraguan bourgeoisie has rejected participation and begun to disinvest and run-down production—engaging in a self-fulfilling prophecy: creating the conditions they claim to have sought to avoid, namely an economy with a growing public sector. The Nicaraguan experience with pluralism and socialism highlights several issues: (1) that democracy and socialism are possible in the process of institution-building and even during periods of military defence; (2) that the boundaries between dissent and armed subversion can be drawn

effectively thus preserving political freedoms at the same time as defending the new social foundations of the regime. (3) that the fundamental issue for capital is neither political participation nor economic opportunities (assured by the Sandanista government) but political power, and specifically the balance of power in the state; (4) that the anti-democratic, anti-economic behaviour of the private sector cannot be separated from an analysis of the international political-economic context in which it operates. The massive and direct intervention of the US imperial state, providing subsidies to cushion economic losses and providing alternative sites for investors to relocate their operations, sustains the willingness of the private sector to risk rejecting the pluralist rules of the game. For the Sandanistas, the alternative to socialist pluralism is to follow the path of the Southern European Socialists: of sharing political power with the bourgeoisie in order to obtain economic cooperation, and in the process lose political control and popular support without securing any substantial increase in economic production or social improvements in the lives of the poor.

Given this international setting and the behaviour of the capitalist class, socialist transitional strategies must fashion a notion of pluralism that does not count on capitalist cooperation if they hope to preserve the democratic process. If individuals or groups of domestic capitalists happen to agree to abide by the rules of the game, the pluralist system can accommodate them. Depending on how the US-Contra-Nicaraguan war proceeds, the pendulum may swing toward more authoritarian or democratic practices; while the exigencies of survival are paramount and may evoke centralised and authoritarian measures, the principle that these are exceptional measures and the norm of autonomous democratic institutions should be upheld. The issue is not the particular measures which the revolutionary regime takes at a particular moment in time but the direction toward which it is moving.

### *Neoliberalism: Bureaucratic Centralism Alternative to Democratic Socialism*

The current impasse in the development and expansion of the productive forces in the Socialist bloc countries has led in some countries to a number of significant reforms and new policy initiatives. These changes have far-reaching effects in the economic structure, social order and perhaps political system. The reforms include the emergence of clearly expressed alternative economic programmes defining new mixes of private, public and cooperative ownership; wide discretionary powers for local managers above and beyond those previously delegated by central planners; proposals to introduce participation and discussion by workers assemblies at the workshop level concerning managerial decisions, production targets and the conditions of work; the increasing influence of local municipal

authorities and their capacity to shape the governance of local communities. These reforms all suggest that the 'totalitarian' imagery of socialist society is no longer valid in capturing the growing proliferation of 'semi-autonomous' interest groups, decision-making centres and levels of power. There appears to be a two-tiered system of power: at the highest levels concerning decisions of international importance and relating to the general direction of society, power is concentrated among a small elite; at the middle and lower levels, there is a growing proliferation of interest groups, embodying a variety of social, regional sectoral, ethnic interests competing for power.

Critical to defining the nature of the current developments in the socialist countries is the level of analysis that one chooses to focus on. The level of reform at the *micro* level suggests substantial movements toward greater degree of participation, debate and discussion; while at the *macro* level discussion and participation is limited to a select group of actors, some of whom favour and others oppose the process of 'de-compression'—the liberalisation of political and economic life.

The micro-processes which evidence changes toward new forms of participation are at the workplace and in local government. At the workplace, greater responsibility for production, working conditions and discipline, payments, product selection, introduction of new technology has begun to emerge. At the municipal level, local authorities are assuming greater authority and responsibility for health, education, public and other services. The proximity of local authorities to their immediate constituency and the growth of civic awareness has led to municipal politics becoming an area for increased citizen criticisms and claims.

While these micro changes at the workplace and municipalities represent an important new departure and open new vistas for a democratisation process, they have to be located within the macro-framework. Changes at the micro level reflect policy formulated at the national level: the micro level is where dissent and disagreements are possible. While the local organs may propose, it is the national elite that disposes. The boundaries of power, authority and decision-making may be in flux—and one may say that at the local level they have been enlarged—the general direction is still for the political directorate to establish the spheres of decision-making.

The process of enlarging decision-making among local authorities is in part a result of the impasse of over-centralisation and in part the growth of local capacities for assuming responsibility. Basically, it reflects the delegation of power by the central authorities to units to implement policies and decisions more efficiently at the local level. However while the initiative may have originated at the top, the assumption of responsibility and autonomy of action has created a momentum of its own. This has led to the growth of rather complex relations with the centre, includ-

ing a certain degree of bargaining with the central authorities. The reversability of these processes is real, yet when the shifts result in more effective operations, this becomes unlikely.

The shifts toward decentralised decisions and local authority have a tendency to consolidate and create new coalitions. These alliances embody new orientations among the working class, intelligentsia and segments of the Party. New concerns among workers and managers with improving performance, rewarding skills and upgrading employment categories (rejection of 'dirty work') coincide with the central authorities' concern with the growth of discontent at the workplace. In this regard, the predominance of liberal party officials allows for the implementation of concessions to deflect conflict and to increase the sources of information to allow for the efficient operation of an increasingly more complex technological society.

In summary, at the middle levels, interest differentiation and interest group politics are increasingly competing with, displacing and operating through the long-standing authoritarian bureaucratic structures. Competing social groups—intellectuals, technocrats, political cadres, new generations of young workers become the sources and embodiments of these pre-democratic movements and groupings. They are both 'in' the system sharing its gains in material well-being and belief in its ideological foundation and 'out'—retaining a belief in the need for continuing reform and redefinition of the relationship between an all-inclusive state, individualism and the autonomy of social organisation.

A major motif in some socialist bloc countries is 'reform'—and the major trend within the reform currents is *liberalisation*. For historical-structural reasons, as well as for reasons within the present ideological conjuncture, liberalisation has been far more significant in defining the content and direction of the reforms than the democratic tendency. In this regard, it is important to recognise the very distinct characteristics of the two tendencies and not to confuse them. Liberalisation essentially involves measures to open the economic system to greater private initiative and responsiveness to market demands and needs. It encourages and promotes wage and income differentials, attacking the statist-egalitarian-employment security syndrome as an inefficient constraint on modernisation. Democratisation involves measures taken to increase popular decision-making and involvement in the processes in which societies decide on basic priorities and public policies.

Several contradictory developments within the collectivist countries have contributed to the emergence of reform politics. The dynamic growth of extensive development has created the basis for intensive forms of development. Yet the needs of intensive expansion (new technology, overseas markets, complex organisation, greater flows of information, more flexible and responsible management and labour force, the increasing

demand for quality goods) are incompatible with a rigid bureaucratic centralist system organised for quantitative targets with a semi-skilled or unskilled labour force. While the contradictions of dynamic growth created the conditions for reform, the particular direction of reform (liberal-market as opposed to democratic-socialist planning) was the result of political decisions and the particular mobilisation of bias embodied in the new ascending social forces gaining hegemony in socialist societies. Liberalisation is *par excellence* the ideology of upwardly mobile skilled professionals (collectivist yuppies?). Managers, intellectuals, and technocrats favour the shift to decentralised-market policies because they provide greater opportunities, mobility, consumer goods, economic rewards and social authority as well as greater economic rationality. For the party leadership, liberalisation allows them to maintain political power and prerogatives while decentralising economic decision-making and responsibility. The hope is that reform will lead to gradual depoliticisation of socio-economic issues implicit in the partial separation of political and economic spheres. Over the medium run, this is seen as a way of allowing the state to appear as a 'neutral' arbiter between conflicting interests, in a fashion not too dissimilar from the role ascribed to the state (by its ideologists) in capitalist society. With the introduction of liberal reforms, the political elite hopes to shift the focus to the operation of the market, and consumer. In this perspective, the managerial strata become responsible for socio-economic claims, while the Party's control over political decisions, organisation and structure are not affected. The separation of the political and economic spheres results in the growth of liberal economics and, in modified form, the continuation of authoritarian politics. These precise structural advantages are the important reason why the regimes efforts at self-reform take the form of liberalisation rather than democratisation. A second basic reason is that there are significant strata especially among intellectuals, skilled workers in growth industries, farmers in fertile regions adjacent to major metropolitan areas and others who ultimately benefit from the replacement of bureaucratic-egalitarianism by the market mechanism. Substantial social forces who developed their skills and received higher educational training within the centralised collectivist framework, now feel that it has outlived its usefulness. For them 'state socialism' was a period of primitive accumulation creating the basis for 'market socialism'—with greater individual mobility through the extension of market opportunities.

Democratisation emerging from a movement of working class solidarity represents a top to bottom shift in power in contrast to the intra-elite power-sharing characteristic of liberalisation processes. While liberalisation optimises market behaviour, democratisation increases the participation of labour in the planning process. While both liberals and democrats may favour decentralisation, liberals favour devolving power from the

party to the new technocratic-managerial elite while democratisation favours increasing the role of self-management councils in setting planning and development priorities. Prior to the initiation of reform, liberals and democratic socialist share a common platform of opposition to the bureaucratic-authoritarian system. With the introduction of the reforms, the convergence gives way to divergences. When the liberal reforms threaten segments of the working class on particular issues (job security, unemployment) bureaucratic centralists can occasionally pick up some support from labour.

Liberalisation gives a major impetus to the economy both in terms of opportunities for a greater degree of personal choice of consumer goods, services and after-hours employment. This creates a broad basis of legitimacy. However, deeper integration into the market and the growing inequalities that accompany the introduction of the new economic mechanisms create new sources of discontent among young workers (not absorbed by the cost-efficient firms) and regions with underdeveloped or backward enterprises (textiles, mines, infertile farming zones) etc. Moreover, over-exuberant insertion into the world market (particularly over-dependence on overseas borrowing, excess zeal in importing capital goods which have few prospects of generating export earnings, etc.) can lead to severe payments crises and even submission to IMF prescriptions. Market induced crises can further polarise market socialist societies. Thus while the democratisation process is substantially weaker than the liberalisation trend, the socio-economic consequences engendered by the latter may provide the basis for the revival of democratic socialism. This is not a matter of wishful thinking. The liberal reforms are producing a degree of relaxation of central controls, experimenting with limited forms of worker co-participation, and introducing more pragmatic criteria for evaluating the success or failure of the new economic mechanisms. The 'liberal shell' may provide both the political space and the contradictions which may hasten the democratisation process.

*Chinese Neoliberalism: The Technocratic Alternative to Socialist Democracy*<sup>4</sup>

The current Chinese leadership is very adept in using the language of Western modernisation doctrine with all of its classless rhetoric for its neo-liberal development strategy. The neo-liberalism espoused by the regime and celebrated by the West speaks of a 'flexible system' yet fails to specify the common conditions which might allow all the social groups in China an equal share of the benefits. In fact, the regime is militantly and inflexibly opposed to any discussion or practice that smacks of egalitarianism. The new boundaries and priorities that define the parameters within which the new flexibility operates are not specified. In particular, as the regime moves away from the plan and egalitarianism, it

is creating new rigidities imposed by the differential impact of the market on different classes, economic sectors, regions, households, etc. Favourable economic location, high soil fertility, access to state credit and overseas capital are differentially distributed and affect the capacity of different groups to seize opportunities and bend the flexibility of the system to their favour.

Neo-liberal policymakers have adopted a technocratic theory of social change and economic development, muting and then discarding the previous notions of class struggle. Neo-liberals have combined an exaggerated emphasis on increasing production through maximising income differentials, with new management techniques and work processes, to redefine work-place relations. The result has been a greater degree of managerial control over employment and the terms of employment. As central planning gives way to the market and as managerial and entrepreneurial authority extends over the economy, labour incomes increase at the expense of security of employment. However, the evolution of managerial authority toward greater influence within a market-based economy is in conflict with the central ideological foundations of the social system which explicitly define the workers as the owners of the means of production. By making the future development of economy and society depend upon the productivity and efficiency of a new managerial dominated system, the regime undermines the previous ideological basis for challenging the new system. The new regime has fashioned 'pragmatic' ideology to legitimate the new forms of workplace organisation. It claims practice (pragmatism) not 'theory' as its criterion for truth. Measures of 'success' are basically the immediate impact of policy on production in particular social settings. Regime ideologists omit discussion of the effects of current policy on long term, large scale institutional developments which provide support for local level/short term private activity. The massive infrastructure developments sustaining current activity were based on long term, large scale collective activity. The demobilisation and individualisation of agrarian units weakens the capacity to sustain these activities. Unless the State assumes the activities organised by the collective units, the infrastructure will deteriorate and ultimately affect the local/private producers: private affluence differentially distributed cannot coincide for long with the poverty of public sector activity. The restricted perspective and short-term results that characterise 'pragmatic' policymakers prevent them from taking account of the long/middle terms effect of increasing social inequality and its potential for political and social polarisation. The structural changes in the internal organisation of the social order are accompanied by increasing intimate relations between local upwardly mobile groups and overseas counterparts in multinational banks and corporations, and can lead to the fragmentation of the society and economy. Externally-integrated dynamic sectors increasingly obtain

a disproportionate sector of national income while underdeveloped local enterprises vegetate at the margin of the economy.

The centrality of the market can lead to dramatic short term increases in economic productivity; but to the degree that the market and the enterprise determine the allocation of economic resources and the terms for upward social mobility, political institutions (State, Party, Ideology) will become increasingly auxiliary or marginal to the operation of society. The dissolution of political control over the economy and society can lead to market and class determinants, based on income, economic power and control.

The previous bureaucratic centrally planned economy and its ultra voluntarist ideological accompaniment contributed to the rise of 'pragmatism' in several ways. First the bureaucratic centralists separated the long range goal of a classless society from a policy of gradual and visible improvement in the availability of goods. Secondly, they equated increasing consumption with 'bourgeoisification', adopting a 'market' or circulationist concept of class—(rather than defining class in terms of productive relations). Thirdly they made virtues out of necessities: the austerity and constraints which necessarily accompany initial accumulation, revolutionary warfare, economic boycotts and foreign intervention were translated into a false vision of socialism. The Maoists failed to separate the different phases of revolution, capitalist development and external relations. This led them to conflate all phases and promote a policy of permanent mobilisation in which reality was altered or exaggerated to sustain the ideology. The result was the separation of the ideology from reality, and the subsequent manipulation of ideology as a 'mobilising tool'. Permanent mobilisation of the labour force against vague or fictitious political objects and in the absence of any tangible material improvements led to political and perhaps physical exhaustion. De-politicisation or privatisation was accompanied by an almost exclusive focus on immediate tangible material improvements. The devaluation of ideology led to the transfer of loyalties to those political leaders and policies who promised tangible results.

The conflation of the different phases of the revolution led to the notion of permanent class struggle. While Mao did make a distinction between contradictions among the people (non-violent) under socialism as opposed to the contradictions of capitalism, in practice he followed a different approach engaging in massive and violent struggles against rich peasants, 'capitalist roaders', (Party members) and other elements of post-revolutionary society. The technique of amalgamating all differing perspectives into a reviled counter-revolutionary category was intended to draw on the negative emotive feelings of the labour force toward the new adversaries. These campaigns were orchestrated to maximise state-centred economic accumulation and to eliminate political-factional oppo-

nents. The result was disruption of the productive process and social organisation and disorientation among the labour force—as previously highly-regarded comrades were castigated and removed from office. Thus the notion of 'permanent revolution' came to lack any positive reinforcement: neither increased political control by labour, nor increasing improvement in income. Constant mobilisation against subjectively defined enemies without concrete and clear positive consequences leads to cynicism and withdrawal from politics. The conflicts over development strategies in the post-revolutionary period were of a qualitatively different sort to those that appeared in the earlier revolutionary period. The foundation of the new economy and the new state provided the basis for a *new socialist pluralism*, in which differences were unavoidable and open debates necessary to sustain political and social commitments. *The incapacity of the Chinese leaders to recognise the new foundations as a boundary within which debate, discussion and controversy could flourish led to the extension and deepening of the previous military-political monolith conception of political organisation.*

In summary, indiscriminate use of Marxist ideology to describe very disparate aspects and phases of economic and political development led to its losing any cognitive value and political relevance to development. Ideology became the subjective expression of a voluntarist elite increasingly divorced from the everyday interests of the masses.

This context of an ideological vacuum explains the relative success of the contemporary Chinese pragmatists. Applying their neo-liberal agenda, they short-circuit debate by acting first and theorising later. Specifically by appealing to labour's immediate direct interests for material improvement, they have recognised a vital aspect of Chinese reality that previous leaders downplayed or ignored. The Chinese leadership's appeal to 'facts' and empiricism attracts people who were constantly mobilised in ill-defined campaigns against nebulous adversaries with no visible material pay-offs. The 'facts' in question are concrete—opportunities for greater income by self-induced efforts. The regime is less clear in spelling out what the consequences of these 'facts' are for social equality and political power over time. This ahistorical, asocial, apolitical, amoral approach does not seem to the population to be another ideological deception: one can count one's chickens, pigs, tractors, television sets. Yet the emerging pattern of polarised development is creating a structure in which a few will have greater opportunities than others. The previous regime's tortuous construction of a socio-historical reality based on real and fictitious subjects as struggle and sacrifice was largely divorced from the day to day productive-economic activity that is characteristic of post-revolutionary China. People work to increase their standards of living. They struggle to obtain work, control the conditions of work and to improve their income. The past regime constantly evoked images of the past (Yenan), of inter-

national and obscure intra-elite struggles—substituting these images for the immediate interests of the labour force. The current regime has re-cast the world in imagery more relevant to the producers: instead of history of struggle, it emphasises the present of increasing consumption; instead of international conflict, it stresses increasing international exchanges; instead of intra-elite struggles, it emphasises national development. In this perspective "f peace and progress through hard work and education, the regime has left out any discussion of the mechanism to ensure social justice. At best, the regime postulates a vague diffusion or trickle down effect from the rich to the poor. To the extent that it has discussed equality, it has equated it with the austerity and poverty of the previous period, thus avoiding discussion that might combine growth and equity, liberalisation and democracy.

The current Chinese leadership's counter position of 'practice' to 'theory' is a false one. The current regime has a 'theory'—unstated and perhaps implicit. It argues for the transformation of China through a coalition of wealthy farmers, technocrats, managers of growth industries, foreign capital and national Party leaders. Through these social and political agencies, the regime is stimulating the diffusion and application of new technology and reinforcing the tendencies toward new forms of private concentrated capital accumulation. The policy of deliberately favouring the 'strong' is epitomised by the slogan 'get rich', yet not all agrarian or industrial classes are in a position to accumulate and expand, least of all at the same rate.

Nor is it clear that 'practice' was absent from the previous regime: its practice, however, was to observe a different set of facts than those observed by the current regime and to act on them in a different manner. The alliance between the old cadre/political bureaucracy and the poorest layers of the labour force was linked to a system which preserved political prerogatives of the party machine in exchange for maintaining minimum standards and security for all. Their conception of socialism was of an authoritarian-egalitarian system which repressed both free expression and individual mobility. The current regime's conception reflects the entrepreneurial aspirations and upward mobility proclivities of substantial sectors of the agrarian and intellectual population. Its neo-liberal approach is oriented toward promoting growth through individual and household accumulation and differential economic payments. The attempt by the regime to deny the 'practice' of its predecessors is a means of avoiding any serious discussion of its policy, particularly those aspects that present potential conflictual areas for debate (namely the positive results of large scale collective efforts, job security, food subsidies, etc.).

The style of debate presented by the current regime—self-evident truths, bland assertions of success, revision of history including distortions of the past and evasions of the present—are reproduced in the West, eager

to celebrate China's move toward dismantling the collective system of production. The very notion of 'practice' (so ambiguous and unwilling to recognise multiple dimensions and layers of social reality) central to the current regime is associated with a *single dimension*; growing production, increasing goods, affluent individuals. Both the texture and substance of the written and spoken word are reminiscent of the late 19th century in the West. Qualitative aspects of production relations are subsumed in quantitative indicators of growth: the growth of managerial autonomy and enterprise earnings are emphasised while labour's subordination to the market and the managerial ethos is ignored. The growth of consumer goods and their availability to a broader public is emphasised while improvement of social services and particularly the disparities in access to these goods and services are rarely considered. The upwardly mobile new affluent classes are presented as models of the society. Liberalisation is creating new areas of power, privilege and status differentiation. The regime's promotion of the Chinese Horatio Algiers, like its counterparts in earlier US history, is a powerful myth which probably does attract and energise vast groups of the poor who seek to emulate their path to affluence and success. But the resultant individualism and rampant competitiveness leads to social fragmentation. The absence of large-scale collective units could create serious problems in the maintenance and expansion of essential power grids, dams, rural infrastructure and natural resource development, most of which are far out of reach of private groups or household units.

Finally, class conflicts at the local level and expressions of sporadic individual resentments by those who are displaced, by-passed, and marginalised, in a word who have lost relative to the upwardly mobile groups, represents a new reality which can only increase with time. The 'pragmatists' may believe their own myths that trickle down economic development benefits everyone but historical experiences elsewhere argue otherwise. The blanket condemnation of egalitarianism as remnants of the 'Maoist', 'dogmatic' past and the trumpeting of the virtues of entrepreneurship cannot obscure some troubling new developments: increased earning for some farmers and merchants is creating pressure on salaries of urban wage earners; increasing dependence on the market creates a highly differentiated peasantry; cut backs in state subsidies adversely affects low income families. Wealth in family households can only expand by extending production and exploiting non-household labour. The deepening of the current tendencies in the economy will produce new class formations, and in time new class conflicts on a more extensive and prolonged basis may occur.

### *Conclusion*

The struggles for socialism and democracy are inextricably linked. As we

have argued earlier, the consolidation of democracy *requires* the conscious intervention and mobilisation of socialist forces. The problems of re-democratisation in the Third World cannot be solved through electoral contests that are premised on the continuation of military power and the dominance of development agendas by international banks. The problems in the real existing socialist countries are no less acute. The experiments by the state bureaucrats and their technocratic advisors with 'market socialism' may gain them some popular support and breathing space, but new class differences and economic problems (unemployment, inflation, debt) threaten to ignite a new round of social conflicts. Historical development over past decades has demonstrated the enormous vitality in the struggle for socialist democracy, a history which has infrequently been written. One example: the social history of the Chilean social movements and their experience with direct democracy during the Allende years has yet to be written. In the contemporary context, the most singular event is the Sandanista effort to combine social transformation and free elections under war-time conditions.

The theory and practice of democratic socialism embodied in the Sandanista experience of defence and political pluralism provide socialist theorists and activists with a wealth of new ideas concerning the opportunities for transcending real existing liberal and Stalinist versions of authoritarian politics. It is precisely the attractiveness and relevance of revolutionary democratic socialism to millions—East and West—which has precipitated Washington's sustained aggressive military and economic campaign to destroy it and Moscow's effort to co-opt it.

## NOTES

1. The data in this section are drawn from Enrique V. Iglesias, 'Reflections on the Latin American Economy in 1982'; ECLA Economic Projections Centre, 'Latin American Development Problems and the World Economic Crisis', in *CEPAL Review* No. 19, April 1983, pp. 7-50, 51-84; and CEPAL, *Preliminary Overview of the Latin American Economy During 1984*, No. 409/410, January 1985.
2. For Jamaica during the Manley Government see Michael Kaufman, *Jamaica Under Manley. The Limits of Social Democratic Reform* (London: Zed Press, 1985); Fitzroy Ambursley, 'Jamaica: The Demise of Democratic Socialism', *New Left Review* 128 (July-August), pp. 76-87; and Richard Bernal, 'Jamaica: Democratic Socialism Meets the IMF' in Jill Torrie, *Banking on Poverty* (Toronto: Between the Lines, 1983), pp. 217-240.  
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3. For Nicaragua see Henri Weber, *Nicaragua: The Sandanist Revolution* (London: Verso, 1981); Carmen Deere and Peter Marchetti, 'The Worker-Peasant Alliance. . .', *Latin American Perspectives*, Spring 1981, pp. 40-73; and 'Electoral Process in Nicaragua', Report of the Latin American Studies Association Delegation to the November 4, 1984 General Election.
4. For China see the special issue of *World Development*, Vol. 11, No. 8, edited by Neville Maxwell and Bruce McFarlane. The following articles were particularly useful:
  - Mark Selden, 'The Logic-and Limits-of Chinese Socialist Development'.
  - Thierry Pairault, 'Chinese Market Mechanism: A Controversial Debate'.
  - Bruce McFarlane, 'Political Economy of Class Struggle and Economic Growth in China 1950-1982'.
  - Richard Kraus, 'Bureaucratic Privilege as an Issue in Chinese Politics'.