

Capitalism and nationalism in the ?Third World?

Fri, 30/09/1994 - 10:59

After the 1982 debt crisis the IMF wielded a big stick over the semi-colonial countries. At the same time it dangled a very small carrot a considerable distance ahead of them. To make themselves credit worthy once again and attractive to foreign investors they would have to slash state budgets, strive for a balance of payments equilibrium and exchange rate stability. They would have to abandon all attempts at import substitution and orient their production to maximise export earnings. Finally they were obliged to auction their state assets to the highest bidder. For the big banks the purpose of this programme was clear.

Third World states must maximise revenue and minimise their own spending so as to be able to set aside as much as possible to meet the interest payments on their outstanding debt. The promised rewards for such self-sacrifice by the impoverished countries would come later in the form of higher levels of bi-lateral and multilateral aid, together with greater access to the financial markets for capital. In time too, the prices of primary products would stabilise and even firm up, so producing real growth.

This neo-liberal programme has been held to with utter rigidity by the IMF and the World Bank for the last ten years. It has been a disaster for the vast majority of semi-colonies. Two-thirds of them are worse off than they were in 1973. More than ever they are prevented from forming their own national industrial base by unequal exchange with the developed imperialist countries and the gap between them and the imperialist economies is constantly widening. Stagnation and decline has never been greater in the Third World. Most of the nations of two entire continents (South America and Africa) have gone backwards in the last ten years. Only Chile significantly reduced its debt. Mexico has stabilised it. For Africa, most of Asia and Latin America the level of their debt burden has increased as measured by export earnings/interest payment ratios.

Africa has fared worst of all. Of the 57 nation states on the continent, twenty one have a per capita GDP less than it was in 1979. In the decade since the debt crisis erupted Sub-Saharan Africa's total debt has more than doubled, and debt service payments more than doubled between 1979 and 1987. In addition the terrible effects of the AIDS epidemic will weaken these frail economies even further as the workforce is decimated and health care resources are stretched to the limit. The effects of the imperialist stick are plain to see; the carrot, investment from the multinationals, increased exports of better priced raw materials, will be prove elusive for the simple reason that the economic activity of the majority of the semi-colonial countries is becoming ever more marginal to the concerns of the core capitalist nations.

They are less important, judged by most economic indicators, than they were twenty years ago. The imperialist economies are less dependent upon raw materials, primary commodities and low unskilled labour costs in the Third World as depressed accumulation, energy saving processes and shorter product cycles have reduced the components of all these in each unit of output. Given that primary commodities still represent half of all export earnings for the semi-colonial world the implications of this fall off in demand, prices and earnings is devastating.

The 'anti-imperialist' credentials of the semi-colonial bourgeoisie have suffered terrible blows to their credibility over the last decade. Typical was the failure of Latin American governments 'such as that of Peru's Alan Garcia in 1985-90' to mount co-ordinated resistance to the IMF. More dramatically, the total defeat of Saddam Hussein in the Gulf War in 1991 discredited the anti-imperialist pretensions of similar military bonapartist regimes. The decline of Stalinism—the main force in the workers' movements of most of the semi-colonies—aided a decline in political class differentiation. The vacuum left by the discrediting of both Stalinism and Third World anti-imperialism has been filled in part by an anti-western Islamic fundamentalism and also by various sorts of 'peoples power', as well as by nationalist or ethnic movements. Those fundamentalist movements which today remain anti-US are often at the same time anti-democratic, anti-communist and anti-women. On the other hand, many of the new mass democratic movements that have developed are not anti-imperialist. Many are, for the time being at least, pro-US in their rhetoric. Forces which combine anti-imperialist, anti-capitalist and democratic slogans have, temporarily, declined.

Since the 1970s political Islamist movements have shown signs of a vigorous revival throughout the Middle East and beyond, pushing aside both 'Communism' (Stalinism), and secular Arab nationalism, presenting themselves as the most 'radical' and 'anti-imperialist' of ideologies. Here we must make a distinction between conservative Islamism, such as that of Saudi Arabia, and the brand of 'radical' Islamism which draws its inspiration from Iran. The former hangs on in the petro-monarchies (e.g. Saudi, Kuwait) and states like Morocco, Sudan and Pakistan, as a protection against the radical Islamists.

The 'radical' current is a product of economic and social change in the Arab and the wider Islamic world—the decay of rural society and the creation of vast shanty towns around cities like Cairo, Teheran and Gaza. Its prestige was forged in the 'Islamic (counter) Revolution' in Iran and by Khomeini's defiance of the USA. These movements are a real threat, not only to the pro-imperialist bonapartist regimes but also to the working classes and the petit bourgeois democratic forces in countries like Algeria, Egypt, and Palestine. These forces are a testimony to the failure of capitalism to develop the productive forces at a pace equal to its destruction of the old modes of production. They are also a testimony to the failure of bourgeois and petit bourgeois nationalism, socialism and Stalinism to lead the masses in a successful liberation struggle. To the extent that both conservative and radical Islamists form a mass movement, made up of petit-bourgeois and lumpenproletarian elements, of students and artisans, which aims to smash the labour and women's movement, they constitute a specific form of fascism—clerical fascism. This movement has as its objective the destruction of all democratic and political rights in favour of a clerical dictatorship.

Another form of political protest emerged in the 1980s which was more tolerable to imperialism because it was more easily manipulated by it. Under the slogans of 'people power', mass movements erupted which stood for 'democracy' but without any sharply defined ideological content or political programme. Imperialism has sought to intersect and even sponsor such movements, favouring 'pluralism' and 'free elections' in a number of military bonapartist dictatorships or one party states. This tactic was designed to help open up the economies of these countries and to foster widespread illusions both in bourgeois democracy and in the United States, the EU and the United Nations.

The discrediting of the degenerate workers' states as an alternative political and economic model of development strengthened the widespread view that a market economy, based on legalising and deregulating the informal or black economy, and encouraging the influx of capital from the multinational corporations (MNCs), was inevitable if semi-colonial countries were to go forward at all. The mass stay-aways and demonstrations in South Africa in the years 1984-6 and the overthrow of the Marcos dictatorship in the Phillipines by mass demonstrations in 1986 set a pattern for the years to come. Mass

demonstrations in Beijing in 1989, even if they led to bloody repression, paralysed the Chinese Stalinist bureaucracy for weeks.

In Chile mass protests led to the withdrawal from power of Pinochet in 1990. Demonstrations by vast unarmed crowds brought down the East German, Czech and the Bulgarian regimes in November 1989 and precipitated the mutiny of the Romanian army and the downfall of Ceausescu at the end of the year. Strikes and demonstrations by students and workers forced the the retreat of the military from open political rule in South Korea. In a whole series of sub-Saharan states mass popular protests played an important role in forcing democratic 'openings'. But whilst the trade unions or workers played an important, often a vital role in these struggles, none were led by politically independent working class forces. As a result the mobilisations stopped short of a thoroughgoing democratisation of the state and often placed nakedly bourgeois and pro-imperialist forces in power.

The outbreak of national conflicts intensified in the 1980s as IMF programmes took effect. Economic decline increased regional differentiation. Democratisation, often pressed for by imperialism as a way of overcoming obstruction by old elites to the neo-liberal medicine, has served to weaken the superstructure of the post-colonial states and has eroded the legitimacy of their ruling classes. On this basis old and new nationalisms have (re)emerged. In Africa, as a result of the decay of the productive forces, the state structures are breaking down. Regional elites, both civilian and military, are using 'tribal' and ethno-linguistic bases to mobilise or control the masses. A burgeoning number of bloody wars are tearing apart the semi-colonial states inherited from the colonial period. In Liberia 20,000 have died in the civil war and the state is under partial occupation by a force from other West African states. Chad and Sudan have experienced long and terrible civil wars with ethnic dimensions. The 1991/2 civil war in Somalia led to the deaths of 300,000 people, the displacement of over half a million others and to a terrible famine. UN/US armed interventions, a sort of re-colonisation, have led to open conflict between the these troops and the 'war lord' Mohammed Farah Aideed.

In Rwanda a terrible Hutu-chauvinist organised genocide of at least half a million Tutsis, the military victory of the Tutsi-dominated RPF, followed by the flight of a huge number of the Hutu population to neighbouring countries, shattered the country. In Burundi, Djibuti, Kenya, Mauretania and other countries of Africa there have been bloody inter-ethnic conflicts. In Mozambique the civil war between the formerly anti- but now pro-imperialist FRELIMO and the bandits of RENAMO has destroyed the economic life of the country. In Angola the renewed civil war between Jonas Savimbi's UNITA and the MPLA government has produced 100,000 deaths. In Angola and Mozambique reactionary para-military groups, formerly financed by South Africa, continue to murder thousands. Despite the efforts of the MPLA and FRELIMO to become the agents of imperialism they have not been able to victoriously conclude the civil wars that the agents of the USA and South Africa unleashed. Conciliation with such forces, here, as in Nicaragua, is the road to disaster.

Even in India, which has a long tradition of bourgeois secularist nationalism (Congress), communalist and pseudo-nationalist movements have erupted in the Punjab (Sikhs and Hindus) inflamed by Hindu and Muslim political parties. In the Punjab this owes its origins to the 'green revolution' which strengthened the Sikh rural bourgeoisie, who then sought to achieve autonomy or even independence so as to avoid having to share the riches of the province with the poorer ones of the sub-continent. Other national-ethnic struggles are caused by relative impoverishment of a region or ethno-linguistic or religious-cultural group, especially explosive when it hits the unemployed intelligentsia in the huge cities, where the material for social, communal or religious strife is ever ready.

The unevenness of development, which will be made much worse by the neo-liberal policies of the present

government, will undoubtedly strengthen the centrifugal tendencies in India. In Sri Lanka the Tamil Tigers have waged a war for independence since 1983 against the Sinhalese government. Other serious national wars or persecution are taking place in Myanmar, China (Tibet and Xinjiang), in Cambodia (attacks on the ethnic Vietnamese population), in the Philippines (in Mindanao with the Muslim separatists) and in Indonesia (East Timor and northern Sumatra). In addition, there are the struggles by indigenous peoples, in South and Central America and in the Pacific region, which have developed rapidly over the last few years. These also have an impact within the imperialist countries themselves, such as the USA, Canada and Australia, where indigenous peoples were for long denied full citizenship rights or condemned to poverty stricken regions or shanty towns on the fringes of the big cities.

Since 1989 the collapse of the degenerate workers' states towards semi-colonial servitude has also provoked violent national struggles. The demise of Yugoslavia and the crises in the Caucasus and Central Asia are the most intense and destructive. In the mid-1980s, as the planned economy went into deeper and deeper stagnation, the tensions between the bureaucracies of the nominally national republics of these federations intensified. The successor regimes, engaged as they were in restoring capitalism, were unable to offer the masses anything beyond a collapsing economy, inflation, lower and lower wages and mass unemployment. They turned to fomenting nationalist demagoguery. The results were the bloody Serbian-Croatian war and then the carve up of Bosnia, the series of wars in the Caucasus. In former Yugoslavia the situation was made far worse by the meddling of the imperialist powers with the US, Germans, British and French all pursuing conflicting aims. Then the UN intervention, with its embargo on Bosnian self-defence, made matters even worse. The result is that in Bosnia Herzegovina tens of thousands have been killed and two and a half million people turned into refugees by ethnic cleansing.

Despite the attempts of the imperialists to calm the situation and to impose the carve up of Bosnia-Herzegovina as a fait accompli, the situation in the Balkans remains explosive. Were it to break out again, the imperialists could accept the fact of a three-way war between Bosnia, Serbia and Croatia. Despite the inevitable instability produced by such war, it would not necessarily be dangerous to imperialism itself. The fundamental problem for them remains the situation in Macedonia and Kosovo. The rise of nationalism in Greece, together with the first signs of a growth in Islamic fundamentalism in Turkey, threaten the stability of the European Union and of NATO. The possibility remains that, despite the pressure of imperialism, Greece, Turkey, Macedonia, Serbia and Albania will explode in a bloody war.

The disintegration of the Soviet Union left behind sizeable ethnically Russian minorities in many of the successor states. All of these could be utilised by an increasingly nationalist Russia to destabilise the regimes of the 'near-abroad', forcing them to come to terms with Moscow within the framework of the CIS. In Ukraine, this could develop a dangerously destabilising momentum of its own. The Eastern Ukraine, formerly an important component of the Soviet industrial economy supplying, for example, more than a third of its iron ore and 44% of its machine tools, has a large ethnically Russian minority and a Russophone majority. Its industries will inevitably be the target of government privatisation and rationalisation plans. The destabilisation, even the partition, of the country is an ever-present threat as the economy collapses and hyperinflation fuels social conflict.

In the Caucasus the situation has developed in this direction already. In Georgia thousands have been killed and tens of thousands have become refugees in the fighting in Abkhazia and South Ossetia. In Azerbaijan during the four years of fighting with Armenia over Nagorno Karabakh more than three thousand people were killed. In Chechnya a civil war is raging. In Central Asia the civil war in Tajikistan, a conflict which has been largely ignored by the western media, has resulted in 25,000 people being killed and 500,000 displaced since 1991. Over the border in Afghanistan the bitter fruits of imperialist intervention have been seen since the downfall of the Najibullah regime. It has descended ever deeper into anarchy,

riven by a conflict between irregular forces based roughly on the three major peoples (Hazars, Pathans and Tajiks).

Social decline and national conflict are set to continue under capitalist rule. Investment in the semi-colonial world during the 1990s will be concentrated in a handful of Asian countries. Asia is likely to account for two-thirds of the increase in global GDP between now and the end of the century as the MNCs seek to take advantage of the opening of China, India and Indonesia to lower their labour costs and find new and extensive markets for their products.

The 1990-93 wave of investment into LA is not likely to continue as the recession ends in the G7 countries. Nor has it been invested in such a way as to transform the productive basis of any major economy, outside of Chile (and in part) Mexico, which could have held out the prospect for a sustained recovery in South America. It is more likely that Mexico and Chile, followed at some distance by Argentina, will absorb the bulk of whatever investment comes after the great sell-offs of state assets are over and that the whole continent will engage in a game of 'beggar my neighbour?', an auction of resources and labour rights in a scramble for the crumbs from the NAFTA table. But even for the 'privileged' countries like Mexico, tied into a regional bloc with a major imperialist power, the future is one of enormous and growing regional unevenness and social dislocation. Between 1990 and 1992 over 90,000 small-to-medium businesses (10% of the total and employing 100,000 workers) closed as the effect of bringing down tariffs from 29% to 10% worked its way through the economy. The jobs in the maquiladora industries will not compensate for that. In the next five years another 40% of such firms could close under the impact of NAFTA.

In Africa it is hard to predict anything other than continued decline. The much vaunted turn-around through strict application of the IMF's neo-liberal programmes is not going to happen. Only South Africa, if the post-apartheid settlement can be stabilised, may escape the investment starvation and years of chronic recession it suffered as a result of the death agonies of the apartheid regime. Then it may experience some renewed growth. The IMF hopes that South Africa through some kind of regional tie up with the other big three (Zaire, Kenya, Nigeria) can help trade and investment increase at least in these key states. But on what basis?

The European Union, and to a lesser degree the US and their MNCs, would have to be the big investors. But Africa holds a declining share of a declining or static market. What it sells is required less and less as OECD incomes rise; biotechnologies will lead to more and more replacements being found within the OECD states for Africa's primary products. Nor is Africa likely to be able to diversify and become the site of new industries. For the EU Africa has few, if any, comparative advantages (poor per capita income, poor literacy and educational levels) as compared to Eastern Europe. South Africa and a few North African nations may slow the pace of the continent's decline.

For Sub-Saharan Africa, it would seem inevitable that, under capitalism, the prospect is for there to be less and less internal mechanisms of accumulation, and an ever greater tendency simply to rely upon the conditional handouts of bi-lateral and multilateral aid. The fragile political regimes will have to be propped up by imperialist interventions, the armed forces or regional groupings of states. But with the restorationist governments of the former USSR countries also holding out their begging bowls and the imperialists refusing to increase the volume of Overseas Development Aid we can expect an accelerated social decline in many of these countries. All the semi-colonial countries, outside the formal free trade areas (e.g. EU or NAFTA), can expect that bi-lateral barriers to trade with the imperialist countries will rise as competition for markets intensifies in the 1990s. Under the prevailing neo-liberal regime most semi-colonies will need a particularly strong cyclical recovery in the G7 and OECD countries during the second half of the 1990s if their absolute economic position is not to deteriorate markedly.

The struggle for democratic rights will become a major issue, particularly in South East Asia. The 'tiger' phenomena is founded on an extreme exploitation of the working class through military-bonapartist dictatorships and militarised democracies. But the recent development of the productive forces in these states has led to an enormous growth of the working class and also a new layer of intellectuals and other modern middle-class strata. At the same time the old support for the regimes amongst the traditional urban petit-bourgeois and agrarian society has been eroded. Developments in South Korea in the late 1980s, and more recently in Indonesia, show that the working class has started to translate its growing objective power into active class struggle. Also the new middle class wants democratisation.

The days of the old regimes are over. The prospects in South East Asia are of an upswing of class struggle and political unrest. The danger for the working class lies in a democratic counter-revolutionary development (as in South Korea) where the main sectors of multi-national capital in the country were able to build an alliance with sectors of the modern middle class. But these sectors of big business and the middle class are both significantly weaker in the other newly industrialising countries. The proletariat must integrate the struggle for democracy into its own revolutionary perspective and win over the popular layers of the middle class.

Clearly, the perspectives are for an intensification of national conflicts in the semi-colonies and the moribund degenerated workers' states headed towards Third World status. Struggles against national oppression and against imperialism will have a progressive character. As a minimum, if successful, they remove the obstacle which the nationalisms of both the oppressed and the oppressor nations put in the way of the class consciousness of their respective proletariats. In the case of national struggles which actually coincide with struggles against imperialism and its agents and/or struggles against elements of capitalist/pre-capitalist forms of exploitation the national struggle can form the democratic starting point for overthrowing capitalism itself.

By contrast, national struggles which amount to claims for political or economic privilege, which attempt to seize or monopolise territories rich in natural resources, perhaps in collusion with the MNCs or an imperialist power, are reactionary and have to be opposed. In the case of others, which fragment larger states and hamper the development of the productive forces, but do not include claims for privilege, it may be necessary for revolutionaries to remain opposed to secession whilst recognising the right to secede. This is generally the stance that should be adopted in the case of fragmenting semi-colonies, degenerate workers' states or even the imperialist countries themselves. Despite the present frenzy of nationalism, or rather because of its bitter fruits, a reaction against it will undoubtedly set in and proletarian internationalists must prepare the way for this amongst the working class and the youth.

Source URL: <https://fifthinternational.org/content/capitalism-and-nationalism-%E2%80%9Cthird-world%E2%80%9D>