

# **Marxism and the Economic and Social Problems of the Underdeveloped Countries**

**By**

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**Second**

**N. M. Perera  
memorial lecture**

**15TH DECEMBER 1983**

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# **Marxism and the Economic and Social Problems of the Underdeveloped Countries**

It is an honour and privilege to deliver the second N M Perera memorial lecture, combined with the pleasure of being in Colombo, capital of the proverbial 'pearl of an island'. The late Dr Perera was an outstanding personality, representing as he did the Marxist idea of the unity of theory and practice and the spirit of internationalism. He was one of the few Marxists in our parts of the world who could claim to have seriously striven to continue theoretical pursuits alongside committed revolutionary struggles. We in India were witness to his internationalist commitments, in the part he had played in the anti-imperialist struggles in our country. Dr Perera's personality represented a rare combination of diverse talents: a classic example of a revolutionary tribune of the working people in the old State Council, he was also a foremost leader of the militant trade union movement in Sri Lanka! In commemorating the late Dr N M Perera, we really seek to cherish the revolutionary values that he had stood for. It will be highly gratifying to myself if I am able in the present lecture to develop and concretise in terms of the contemporary reality the basic thrust of Dr Perera's revolutionary strivings.

The theme of my lecture — Marxism and the economic and social problems of the underdeveloped countries — though befitting in its broad sweep for association with the memory of Comrade Perera's wideranging activities and interests, is too complex a subject to be adequately covered in a brief lecture, more particularly so in view of the sharp disputes and controversies among the Marxists themselves on many facets of Marxist theories and contemporary practice. The wide diversities that distinguish the very large segment of the globe, stamped as underdeveloped, also present formidable problems for a brief presentation. Such an attempt is bound to be somewhat selective and perhaps discursive, more so when made by a person of modest capabilities as the present speaker.

Development and underdevelopment are obviously relative concepts; but they are both based in the final analysis on some benchmark criteria. There is a qualitative difference between the basics of Marxist and non-Marxist conceptions of development.

Though the literature on underdevelopment has flourished in the recent decades in an inverse ratio with the object of its focus, the literary exercises have so far mainly concerned themselves with the surface symptoms only. Development and underdevelopment

have both been interpreted in terms of some macro-economic indices only — like per capita national product, industrial and agricultural output, consumption, savings and so on. Though all these indices have some limited relevance, from the Marxist standpoint, they are however, neither adequate nor appropriate indicators.

Firstly, these indicators reflect merely the state and trend of economic growth of a sort, irrespective of deeper social reality. Thus, from this standpoint, South Korea or Taiwan, whose people are constantly sinking into a deeper morass of misery, were held up as shining examples of development. This concept of growth is tailored to the interests of stabilisation and strengthening of the existing social structure, irrespective of its character whereas Marxism looks at economic growth as only a coordinate of greater human freedom.

Secondly, the general indices are based on an abstraction, viz. the total population, thus sidestepping the class divisions, as they also lump together destructive, unproductive or superfluous output like that of guns, tanks, colour TVs, luxury apartments, etc., on the one hand, and that of the necessities on the other.

And finally, it is not merely the material production that determines the real development, that is the quality of human life. "The mode of production," say Marx and Engels, "must not be considered simply as being the reproduction of the physical existence of the individuals. Rather it is a definite form of expressing their life, a definite **mode of life** on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with **what** they produce and with **how** they produce. The nature of individuals thus depends on the material conditions determining their production."<sup>1</sup>

Indeed, contrary to its bourgeois caricature and opposed to the consumerism of late capitalism, Marxism never set great store by the proliferation of material consumption. While deeply concerned about the provision of the material pre-requisites for a decent, dignified and comfortable human existence, Marx who looked forward to a new manifestation of the forces of **human** nature and a new enrichment of **human** nature, was scathing in his denunciation of artificial stimulation of consumption. Under capitalism, he said:

"every person speculates on creating a new need in another, so as to drive him to a fresh sacrifice, to place him in a new dependence and to seduce him into a new mode of **gratification** and therefore economic ruin.....The increase in the quantity of objects is accompanied by an extension of the realm of alien powers to which man is subjected. Man becomes ever poorer as man...his neediness grows as the **power** of money increases."<sup>2</sup>

The strident clamour about the problems of underdevelopment raised from forums like the UNCTAD, Group of 77, Non-aligned Movement, and so on, with or without the muted support of elements from the developed world (like the Brand Commission), basically expresses only a concern for the stabilisation of the existing social order by means of a transfer of resources — crumbs from the table — from the developed countries the new international economic order that these forums visualise has a place of honour in it for such **old and medieval** survivals like the oil-rich sheikhdoms.

There is also a body of penetrating literature on underdevelopment produced by Marxist or Marxism-oriented scholars like Andre Gunder Frank, Samir Amin and others. They give patches of good insight into the dynamic processes at work. But they also stray away from some essentials of Marxism in that they deride the revolutionary potential of the working class in the developed countries while attributing a proletarian character to segments of non-proletarian masses in the underdeveloped world. Similarly, some of them also seem to over-rate the anti-imperialist urges of the underdeveloped bourgeoisie while taking an almost totally negative view of the role of the countries of the existing socialist system in sharing world politics.

The most important segment of the world Marxist forces, namely, the leaders of the Soviet and Chinese Communist Parties, are also seen to have taken a very superficial and simplistic view of the underdeveloped world and its evolution. For instance, the late L. I. Brezhnev said in his report to the 26th Congress of the CPSU:

“In the mid-seventies the former colonial countries raised the question of a new international economic order. Reconstruction of the international economic relations on a democratic foundation, along lines of equality, is natural from the point of view of history. Much can and must be done in this respect. And, certainly, the issue must not be reduced, as is sometimes done, simply to distinctions between ‘rich North’ and ‘poor South’. We are prepared to contribute, and are indeed contributing, to the establishment of equitable international economic relations ”<sup>3</sup>

Brezhnev merely echoed the philistine perspective about a non-revolutionary evolution of a ‘democratic’ and ‘egalitarian’ ‘new international economic order’ through the charity of the affluent part, without any sort of social change in either the developed or the underdeveloped world.

The position of the Communist Party of China is even more inane. Glossing over all distinctions in the basic sphere of social relations, Hu Yaobang, in his report to the 12th Congress of the CPC, characterised China as a ‘third world’, ‘developing’ country and called for mutual cooperation among the newly independent

countries — in order “to break out of the existing unequal international economic relations and establish the new international economic order.”<sup>4</sup>

The problems of the ‘third world’ ‘developing’ countries like China, Vietnam, etc. — countries that have thrown off the yoke of the local landlords and capitalists and suffer from no organic subordination to the developed capitalist countries — are entirely different from those faced by the other underdeveloped countries, still ruled by native exploiters and held in organic subordination to the imperialist system. The theme of the present lecture, according to my understanding, excludes from its purview the first group of ‘developing’ countries. This is so because Marxism has a specific connotation of ‘under-development’ within a global historical frame of development.

## II

This global/historical frame was very succinctly enunciated by Marx as below :

“The original unity between the worker and conditions of production (abstracting from slavery where the worker himself belongs to the objective conditions of production) has two main forms : the Asiatic communal system (primitive communism) and smallscale agriculture based on the family (and linked with domestic industry) in one form or another. Both are embryonic forms and both are unfitted to develop labour as **social** labour and the productive power of social labour. Hence the necessity for separation, for the rupture, for the antithesis of labour and property (by which property in the conditions of production is understood). The most extreme form of this rupture, and the one in which the productive forces of social labour are most powerfully developed, is capital. The original unity can be re-established only on the material foundation which capital creates and by means of revolutions which, in the process of this creation, the working class and the whole society undergo.”<sup>5</sup>

The historical role of this total separation between the worker and conditions of production is exhausted in the process of the growth of capitalism itself and conditions are created for achieving human freedom, through their re-unification on a higher plane.

With the progress of science and its growing application to industry, the worker, says Marx :

“Steps to the side of the production process instead of being its chief actor. In this transformation, it is neither the direct human labour he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and his mastery over it by virtue of his presence as a social body — it is, in

a word, the development of the social individual which appears as the great foundation-stone of production and of wealth. **The theft of alien labour time, on which the present wealth is based**, appears a miserable foundation in the face of this new one, created by largescale industry itself. As soon as labour in the direct form has ceased to be the great well-spring of wealth, labour time ceases and must cease to be its measure, and hence exchange (must cease to be the measure) of use value. **The surplus labour of the mass** has ceased to be the condition for the development of general wealth, just as the **non-labour of the few**, for the development of the general powers of the human head. With that, production based on exchange value breaks down, and the direct, material production process is stripped of the form of penury and antithesis. The free development of individualities, and hence not the reduction of necessary labour time so as to posit surplus labour, but rather the general reduction of the necessary labour of society to a minimum, which then corresponds to the artistic, scientific, etc. development of the individuals in the time set free, and the means created, for all of them.”<sup>6</sup>

In simpler terms this means that the inherent logic of capitalist production creates the conditions for and the necessity of its supersession by a new, higher, social order ensuring the conditions for greater freedom for man.

Fundamentally, from the Marxist viewpoint, development or for that matter, the lack of it in a particular society depends on the **degree of dynamism** exhibited by the global/historical process in its operation within the society.

The historical reality of the contemporary world presents a peculiar complexity because the integral process of historical advance — towards a higher social order based on a higher development of productive forces — got split up into a dichotomy, unexpected but not really inexplicable by the Marxist conception. We are as a result confronted with a reality, in which countries with very high development of productive forces are still shackled by the old and outdated production relations, while some other countries with more advanced social relations still lack the material base of high productivity that should correspond to it. Contemporary world politics reflect the contortions and paroxysms of human civilization in the striving for re-integration of the split and parallel streams.

The so-called underdeveloped parts of the world are so underdeveloped because, let alone the transition to a higher social order based on a higher development of productive forces, neither of these two components of the transition has reached the maturity needed for the qualitative change. On the contrary, increasingly sucked into the global vortex as they are, the underdeveloped parts of the world are only confirmed in their **overall stag-**

nation by the growingly more powerful impact of internal developments in both parts of the **developed** world.

Specific internal factors and features of historical evolution in the underdeveloped countries necessarily have important roles in shaping their destiny and we will surely have to take note of them. The general direction of the developments in these countries is, however, largely determined by the global context. Slightly modifying Paul Baran's wellknown aphorism, it can be said that just as what will be cooked in the kitchen is not decided in the kitchen **alone**, so also the prospects of development in the underdeveloped countries are not determined by indigenous factors only.

Indeed, the entire world today, all differences in terms of socio-economic levels of development notwithstanding, has become a closely integrated entity. Local developments in any part of the world are the resultant of close interactions of multifarious pulls and pushes, each of which, in turn, is a product of fusion of national and international impulses. Without a clear understanding of this overall framework, problems of development — be they social, economic or political in nature — cannot be grasped correctly.

If I seem to some of you to be straying away from the central focus of my theme into superfluous generalities, I can plead in my self-defence the immense importance that the global factors have assumed today because of the high order of their integration.

It is against this universal backdrop that we can now focus on some of the specific forms and processes of interactions between the developed and underdeveloped parts of the world today and their consequences for **both** the parts. Only after this examination, will we be in a position to assess the specifically local or national facets of the problems of development in the underdeveloped countries.

### III

The most primary factor of global integration today is, of course, the threat of the nuclear holocaust that overhangs entire humanity and the worldwide popular struggles needed, and growing, to avert it. This obvious and very important linkage needs no elaboration. What, however, is not fully realised is the progress of new forms of economic and political integration and interpenetration of the developed and underdeveloped parts of the world capitalist system up to date, all the differences between them notwithstanding. Some of the important integrative features may be briefly noted here:-

- (i) Penetration of multinationals in various forms in the underdeveloped countries — not only in industry but also in agriculture (through the increasing role of transnational agro-industries and the promotion of the socalled green revolution), grafting of the consumerism of affluent society on the underdeveloped communities, formation of a cosmopolitan jet-set and creation of what has been aptly called 'mini New Yorks' by a *Gandhian* economist

in India, that is, enclaves of high affluence, in a setting of abysmal poverty of the masses in the underdeveloped countries. All this is too wellknown to need detailing.

(ii) What is even less known, however, is the counter-part of this process, 'Latin Americanisation' of the most developed countries, including the USA. All the features of mass poverty, degradation and degeneration of vast segments of population, characterising the underdeveloped parts of the world, have been assuming increasingly serious proportions in the super-rich developed countries. To cite some very striking symptoms of degradation from the scene today:

- (a) 12 million unemployed as of December 1982
- (b) 31.5 million live below the poverty line
- (c) 12 million of the above suffer from hunger and malnutrition
- (d) Nine hundred thousand children, some as young as seven years old, are engaged in child labour, serving as underpaid farm hands, dishwashers, laundry workers and domestics for as long as 10 hours a day
- (e) 45 million children suffer from malnutrition and many of them suffer brain damage caused by prenatal and infant under-nourishment.<sup>7</sup>

Even other 'trade marks' of 'Latin American' underdevelopment are making their presence felt in the USA. According to a UPI news report from Geneva dated 24 June 1983, "developing countries are becoming a dumping ground for many toxic chemicals banned in industrialised nations".<sup>8</sup> Banned or otherwise, there are areas and segments of the population in the USA who are in the same receiving end of chemical pollution as the people of the underdeveloped countries. According to a report published in a leading Indian daily, sent by a journalist now studying at Stanford, in California, the 'vegetable basket' of the USA, with a \$ 40 billion a year agro-business, the indirect pollution affecting land, water and air apart, "those who suffer most are farmworkers who are often in the direct path of the chemical used. Despite the danger to people from drift, most farmers use aeroplanes or helicopters for spraying even the strongest of pesticides... In July 1980, 22 workers were poisoned when they walked into a recently sprayed cauliflower field... the labour contractor left the workers fainting and vomiting in the field... A year later 41 workers were affected by organophosphate which is 1,000 times more toxic than Malathion, the pesticide used to eliminate the 'medfly'... County officials neither fined the grower, nor did they suspend the contractor's licence."<sup>9</sup>

The writer significantly says:

"Unorganized cultural labour, often paid less than the minimum wage, living in constant fear of the authorities, facing health prob-

lems caused by exposure to hazardous chemicals — these are the ingredients of the situation in practically any Third World country. Yet these elements are also an integral part of the agricultural industry of one of the richest countries of the world.”<sup>10</sup>

In short, the process of closer integration of the capitalist world has two facets — promotion of limited and distorted growth of certain segments of the society in the underdeveloped regions, on the one hand, and the emergence of mass privation and other forms of degradation at the base of the affluent societies, on the other.

So far as the underdeveloped regions are concerned, the process of integration into a ‘one world’ is being pushed ahead through two closely inter-related instruments. First, the international financial institutions dominated by the developed capitalist countries, such as, the World Bank, International Monetary Fund, Asian Development Bank and so on, which frame and enforce policies so as to facilitate penetration by the multinational corporations and increased exploitation of the natural and human resources of the underdeveloped regions. Secondly, military and para-military assistance, along with political and financial backing, to the indigenous exploiting classes in the underdeveloped countries with a view to strengthening the repressive character of the state power internally and effecting their closer linkage with the global military-strategic system of the dominant world capitalist powers, primarily the USA. This second process has now reached a new stage inasmuch as even the developed capitalist countries like the United Kingdom, Italy and so on, not to mention West Germany and Japan, i. e. countries defeated in World War II, are now losing their sovereignty and turning into bases of the US nuclear missiles, under the exclusive control of the US command. In other words, except for small gaps represented by Nepal, Burma, India and Sri Lanka, almost the entire underdeveloped capitalist world has become part of a closely integrated military system, notwithstanding the flamboyant displays from the platform of the Non-Aligned Movement. A patent implication of this military linkage is that any bid for socio-political restructuring made by the oppressed and exploited people of the underdeveloped countries would be liable to face open and brutal counter-revolutionary intervention by the leaders of the global military system. Indeed, the newly formed Rapid Deployment Force of the USA was expressly created for this purpose.

The main social force behind this new and advanced phase of the global capitalist integration is the phenomenal growth of the transnational corporations. These are truly **transnational**, because they represent a definite transcendence of the specific national identities.

Not only do these TNCs have a global theatre of operation, their ownership and control are also getting increasingly **international**. Let us take a look at the US scene, the most dominant force in the world of the TNCs. At the end of 1981, while the direct US investments abroad stood at \$227.5 billion, the direct foreign investments in the USA itself amounted to \$ 89.8 billion. In other words, the ratio

between the two was 100: 40. Of the total direct foreign investment in the USA, 62 per cent was owned by the British and Dutch multinationals; Canadian and Japanese companies accounted for 14 per cent and 8 per cent respectively; other foreign investors in the USA included some Latin American and Kuwait companies.<sup>11</sup>

The study of the emergence and implication of TNCs is a fascinating subject, but we scarcely have the time for any in-depth look at the phenomenon. But one fundamental significance of this development is formulated as below by two very perceptive scholars of this phenomenon:

"The global corporation is the first institution in human history dedicated to centralised planning on a world scale. Because its primary purpose is to organise and integrate economic activity around the world in such a way as to maximise global profits. The global corporation is an organic structure in which each part is expected to serve the whole. Thus, in the end, it measures its successes and its failures not by the balance sheet of an individual subsidiary or the suitability of an individual product, or its social impact in a particular country but by the growth in global profit and global market shares."<sup>12</sup>

As the US Senate Finance Commission report on the US global firms pointed out:-

"The coordination of MNC operations requires planning and systematisation of control of a high order. In the largest and most sophisticated MNCs, planning and subsequent monitoring of plan fulfilment have reached a scope and a level of detail that, ironically, resembles more than superficially the national planning procedures of communist countries".<sup>13</sup>

The most important, and indeed, the most obvious, consequence of the emergence of powerful TNCs is a degree of internationalisation of the economic and political life of the entire capitalist world which was only dimly foreseen by the founders of Marxism. Even the spokesmen for these transnational institutions never tire of emphasising their transcendence of the limits imposed by the prevailing system of nation states. As the two scholars, quoted above, point out:-

"For business purposes,' says the president of the IBM World Trade Corporation, 'the boundaries that separate one nation from another are no more real than the equator..... The world outside the home country is no longer viewed as a series of disconnected customers and prospects for its products, but as an extension of a single market.'<sup>14</sup>

"The political boundaries of nation states', declares William, I. Spencer, president of the First National City Corporation, which does business with 90 countries, 'are too narrow and

constricted to define the scope and sweep of modern business'. For George Ball (former US Under Secretary of State), the world corporation 'is planning and acting well in advance of the world's political ideas' because it is 'a modern concept designed to meet modern requirements'. The nation-state unfortunately 'is a very old-fashioned idea and badly adapted to our present complex world' ..... 'The critical issue of our times,' says Maisonneuve, is the 'conceptual conflict between the search for global optimisation of resources and the independence of nation-states'. Business International warns ..... 'the nation-state is becoming obsolete..... tomorrow in any meaningful sense it will be dead and so will the corporation that remains essentially national.' <sup>15</sup>

The two authors conclude :

"Industry has transcended geography. One indication of this is that some of the largest US corporations and banks such as Gillette, Woolworth's, Pfizer, Mobil, IBM, Coca-cola and the First National City Bank now earn more than 50 per cent of their profits overseas. ..... the US-owned and managed global corporations have transcended their own country's interest, outlook and strategy."<sup>16</sup>

Finally, "large corporations plan centrally and act globally, and nation-states do not. It is this difficulty that puts government at a disadvantage in trying to keep up with and control the activities of global corporations. As individual business units become more powerful and mobile, as their balance-sheets become less and less accurate reflection of real economic activity, government finds itself handicapped, administratively and politically, in regulating the economy with traditional Keynesian methods. The ease with which global corporations can conceal or distort information vital for the management of the economy is creating the same sort of nightmare for the advanced industrial state that underdeveloped countries have lived with for years."<sup>17</sup>

The essential features of the present day world scene have been very neatly drawn this way :-

"Increasingly, global resource systems are being managed by multinational corporations. The mining, melting, refining, and mixing of animal, vegetable, mineral and human resources into products for sale is an integrated operation on a planetary scale. Viewed from space, the Global Factory suggests a human organism. The brain is housed in steel and glass slabs located in or near a few crowded cities : New York, London, Frankfurt, Zurich and Tokyo. The blood is capital, and it is pumped through the system of global banks assisted by a few governments. The financial centres, New York, London, Frankfurt, Tokyo and their fictional extensions in

such tax havens as Panama and the Bahamas, function as the heart. The hands are steadily moving towards the outer rim of civilisation. More and more goods are now made in the poor countries of the southern periphery under directions from the headquarters in the north, and most are destined to be consumed in the industrial countries. Global corporations exploit their superior bargaining power in weak, disorganised societies to carry out a series of activities which can offer exceptionally high profits for the worldwide enterprise but which often promote economic and social backwardness in poor countries. The manipulation of transfer prices..... rob the countries of foreign exchange and reasonable earnings from exports. The technology transferred by multinationals, which is usually designed for the home market in a developed society, is inappropriate to the needs of poor countries. It often displaces jobs and is over-priced. The products manufactured in poor countries are beyond the reach of a majority of the people who lack the money to buy them. Such products — automobiles, household appliances, expensive packaged foods — are consumed by local elites in enclaves of affluence or they are exported. The export-led model of development, of which the multinational corporation has been the principal engine, has meant crippling debt and increasing dependence upon the rich countries, their private banks and international lending agencies which they control. Because of their superior control over capital, technology, marketing, global corporations can dominate local economies and preempt the power to plan for the society.”<sup>18</sup>

This process of advancing integration of the capitalist world economy is today poised for an unprecedented big leap through the technological revolution taking place in the sphere of micro-electronics. Competent observers look at the prospects with grave dismay. Many of them believe that by the turn of the century, if not earlier, 10 to 20 per cent of the existing workforce in the developed capitalist countries would be able to produce more than the present volume of industrial output — by robotising the manufacturing process. As this technology would replace live labour on a mass scale, the present trend of limited transfer of labour-intensive manufacture to enclaves in the underdeveloped countries would be reversed, accompanied by the marginalisation of an enormous mass of the working population in the developed capitalist countries themselves. In other words, the contradiction between the highly developed forces of production and the existing relations of production, dominated by a handful of TNCs of gigantic magnitudes, would be reaching an unprecedented acuteness. An Australian scholar has drawn the implications this way:-

“Today workers (in developed capitalist countries) face a critical decade of the socalled Third Industrial Revolution, in which the computer will have a similar impact to that of the

steam engine at the time of the Luddites. That is the technological and economic attack. The ideological attack is also similar: today the dogmatists of free trade, laissez-faire and monetarism are in power again, just as they were in 1812. Then they were restructuring Britain; today they are restructuring the world. Then their main external enemy was France and the French Revolution, today their main enemy is the USSR and the Soviet Revolution. Then their main internal enemies were those militant sections of the working class who organised to defeat them economically, politically and ideologically; it is the same today. Then they used spies, paid informers, agent provocateurs and repressive legislation: it is the same today...

"In short, we are approaching the situation foreseen by the founder of automation, Norbert Wiener, who said, back in 1950:

'The automatic machine is the precise equivalent of slave labour. Any labour which competes with slave labour must accept the economic conditions of slave labour.'

"The only way to avoid this is to break out of the economic nexus and develop real industrial democracy in which the key decisions are taken out of the boardrooms and brought into the centre of the democratic process. In this unfolding development we shall learn that for it to work properly, eventually the working people of each country will have to own and control the capital and technology, which in other hands, will destroy their livelihood, their dignity and their freedom."<sup>19</sup>

One may add, their very existence as a species by unleashing, deliberately or accidentally, a nuclear holocaust!

The central points that I have so far tried to highlight may now be summed up this way:

- (i) The main force that the working people in the underdeveloped regions have to contend with, in their struggles for real development, is the power of the TNCs.
- (ii) The indigenous ruling classes in the underdeveloped countries, varying shades of their political complexion notwithstanding, are in the final analysis, acting as accomplices and agents of the TNCs and their various global institutions, and are, in turn, propped up in power by the economic, financial, political and military support given by the latter.
- (iii) In the course of the struggles against the TNCs, the working peoples in the underdeveloped countries have to, and will be able to, secure, in an increasing measure, the support and solidarity of the working peoples of the developed countries. The progress of the 'Latin Americanisation' process in these developed capitalist countries is creating the objective

preconditions for this solidarity. Indeed, the rise of the new peace movement, growth of the so called Green movement, support movements for the liberation of the underdeveloped countries, and along with a certain revival of the militant tradition of the working class movements in the developed capitalist countries are significant pointers of the direction of the world development. The fact that Reagan is still confined to manoeuvrings, instead of direct and naked aggression, in his own backyards in Nicaragua and El Salvador, is a direct testimony to the growth of a countervailing force against the US ruling circles — in the form of a vigilant, articulate and effective public opinion, based on popular perceptions and aspirations.

(iv) And, finally, this means that the world today is nearer the realisation of the original, classical, Marxist perspective of socialist transformation on an international scale — and consequently, the prospects of transition to socialism in the underdeveloped countries in a relatively less painful way than the historical path taken by the countries of the actually existing socialist system, because of the realistic possibility of fraternal help from the emancipated working people of the developed countries.

We are thus on the threshold of a new period of world history. We must grasp its significance fully and deeply. The world today has become much more integrated than ever before. The organic crisis of the capitalist system has engulfed the whole world directly or indirectly and reached an acutely heightened stage ; it has posed before humanity as immediate alternatives — either worldwide transcendence of capitalist social relations, or inconceivable degradation of vast masses of the working people — both in the developed and underdeveloped parts and even a total destruction of the human species through a nuclear holocaust.

Though the present crisis arises from the internal developments within the capitalist system, this has powerful repercussions on the other part comprising the socialist countries. Further, the way the future developments will take place will depend considerably on the line of advance in the socialist part and its impact on the capitalist part. Indeed, this is another dimension of the advanced stage of integration that the world as a whole has reached today. Let us now focus on some major aspects of this inter-relation.

#### IV

The actually existing socialist system reveals a peculiar blending of integration and contradictions with the capitalist system.

The most fundamental contradiction in world politics today is that arising from the elimination of private ownership in the means of production in one part and the subordination of the

whole society to the domination of a small number of TNCs in the other part.

Alongside of this fundamental contradiction, the two systems however, have many elements of inter-penetration and integration also.

**First, economic.** The Soviet Siberian gas complex is being partly built up with West European technology which itself is closely tied up with US TNCs ; there are more than a thousand collaboration agreements between the Western TNCs and the socialist states, including such highly publicised instances as those with Fiat, Pepsi-Cola and Occidental in the USSR itself ; billions of dollars have been lent by the western financial and banking institutions to the socialist countries like Poland, Romania, Yugoslavia, etc.

**Second, cultural.** It is wellknown that western consumerism and pop culture have cast their dark shadow on significant segments of the socialist societies.

**Third, military.** In the military sphere, the two 'super powers' — the USA and the USSR — play complementary parts in a global game, apparently following the same set of rules. Though the USA undoubtedly initiated the arms race in general and the nuclear arms race in particular with a view to establishing and perpetuating its global domination, today both the 'super powers' are competitors in an uncontrollable nuclear arms race and rivals in the international arms trade, particularly with the underdeveloped countries.

**Fourth, socially.** The most fundamental difference relating to the ownership of the means of production notwithstanding, the classical Marxist perspective of socialism has little relevance for the social reality in the countries of actually existing socialism ; instead of increasing free time, the measure of true socialism, there are tremendous pressures for regimented labour and for 'accumulation' on the basis of alienated labour ; increasing and sharper division of labour instead of its abolition.

The Polish episode, ending in the proclamation of the martial law regime epitomised the glaring contradiction between the actually existing socialism and the Marxist perspective of it.

Finally, instead of **proletarian internationalism**, there are ugly demonstrations of national chauvinism, some times resulting in bloody skirmishes and border wars between the socialist states.

All these negative features have tended to dim the power of attraction which socialism as an alternative order of society once exercised on the masses of the working people and intellectuals in the developed as well as the underdeveloped regions of the world. There is a great deal of truth in the following evaluation made some years ago :-

"Socialism has lost ground as a world religion (sic) as the 'socialist camp' split into warring factions and the hard realities of the Soviet state mocked the socialist dream. Corporate managers (of the TNCs) believe that despite the establishment of independent socialist regimes in North Vietnam, North Korea, China, Tanzania, Yugoslavia and Cuba, and the increasing role of the state in all advanced capitalist countries, communism as an ideology is running out of steam. The countries of Eastern Europe, including the Soviet Union, appear more and more to share goals of economic growth and consumer abundance. Hungary and Romania have re-introduced certain capitalist principles, such as a modified profit system and interplant competition. Hungary has now state-owned multi-national corporations with plants in Western Europe. The Soviet Union appears to be becoming more technocratic and managerial and less interested in making a revolution anywhere, including Russia. China is too eager to acquire technology from the global corporations, but by licensing, not equity investment."<sup>20</sup>

The maturity of the objective preconditions for the worldwide transcendence of the capitalist system notwithstanding, the actual step forward is not possible without some subjective accomplishments. Either the reality of the actually existing socialism should register significant improvements, or the struggling working peoples of the capitalist world should deepen their Marxist critical understanding significantly enough so as to grasp at greater depth the inner dynamics of their own society and march forward towards socialism on their own steam and side by side develop a really Marxist critique of the existing socialism with a balanced evaluation of both positive and negative aspects and the socio-historical roots thereof.

Indeed, this is a task common to Marxists all the world over. Each step taken in this direction by one of the three segments of the world, viz., the socialist, developed and underdeveloped, will stimulate similar steps in other segments.

## V

After wearying you with such a long 'Shavian' preface, I now come to what is supposed to be the central focus of my theme. viz. the internal social and economic problems of the underdeveloped countries.

For Marxists it is a truism that real development lies in socialist transformation of society. The basic problem for the underdeveloped countries arises from the fact that the arrested development of capitalism retards the growth of the objective and subjective preconditions for socialist transformation. Indeed, all these countries, as Marx once remarked about the continental West European countries, "suffer not only from the development of capitalist production, but also from the incompleteness of that

development. Alongside of modern evils, a whole series of inherited evils oppress us, arising from the passive survival of antiquated modes of production, with their inevitable train of social and political anachronism. We suffer not only from the living, but from the dead.”<sup>21</sup>

Till the end of World War II, these underdeveloped countries — whether colonies or nominally independent (like Thailand) — had, except for some rare exceptions, little manufacturing industry and even less of indigenous capital. Hence, there was hardly a native bourgeoisie, except for elements of a comprador variety. With the withdrawal of the imperialist rulers, power was handed over to a combination of landed interests and comprador bourgeoisie. Indeed, in most of these countries, it fell on the state power to promote the birth of an industrial bourgeoisie — by offering all sorts of inducements and patronage.

When the capitalist world order is on the eve or in the process of a Third Industrial Revolution, demanding an extremely high degree of capital intensity for mere survival, these latecomers are faced with an insoluble problem of accumulating the minimum critical dose of capital needed for setting up the infrastructure and structure of an industrial economy, more particularly so as they have to pay high tributes to the developed capitalist countries out of their low level national product in the form of royalties, dividends, debt servicing charges, besides the growingly unfavourable terms of trade.

Secondly, the developing countries are in most cases caught and enmeshed in military alliances or forced into an armament race through the competitive arming of the neighbouring countries and thus compelled to divert a considerable part of their limited resources into non-developmental spheres.

Then unlike the early pioneers of industrialisation in the west, who were then nurtured in the Calvinist Reformation spirit of thrift and austere living, the rich in the developing countries today represent a culture resulting from the combination of feudal conspicuous consumption and the consumerism of late capitalism. They pre-empt and waste a significant proportion of the national product in ‘gracious’ living styles and thereby intensify the problem of accumulation.

And, finally, the deprivation of the vast masses of population, primarily due to economic stagnation, but additionally intensified by the unconscionable diversion of resources to unproductive uses and conspicuous consumption of the rich and the super-rich, tends to create a climate of acute mass disaffection. When in this climate, the ruling elite, primarily compelled by the dynamics of capitalist growth, but in many cases prompted by the dictates of their World Bank and TNC patrons, seek to step up the rate of savings in the economy by imposing fresh burdens on the masses,

it inevitably leads to a considerable heightening of the social tensions, occasionally taking the form of mass upheavals. In order to forestall such upheavals if possible and to suppress them whenever necessary, the ruling class builds up a huge and growing police and para-military apparatus, thus further cutting into the potential investible resources.

An inevitable result of the socio-political process is an increasing resort to authoritarian rule — sometimes camouflaged behind some sort of a parliamentary facade but oftener in the form of naked military rule. Whatever the outward form, governments in all underdeveloped countries are engaged in not only enacting increasingly restrictive legislation for curbing the trade union and democratic movements, they are also resorting to extra-legal and illegal tortures and brutalities against the exponents of democratic and popular interests. As mentioned earlier, in many cases, this authoritarian drift and transformation is prompted and supported by TNCs and their various agencies.

Many of the underdeveloped countries have pluralistic and heterogeneous societies — with ethnic, linguistic, religious and cultural diversities among their population. The penetration and expansion of capitalism, limited though it is, has resulted in widening the unevenness and disparity in socio-economic terms — spatially as well as communitywise. The insufficient growth of secular, democratic and even national consciousness, particularly with the deepening economic crisis in the background, has led to widespread conflicts among the divergent communities. In most cases the ruling circles promote and encourage these conflicts — by seeking to legitimise their repressive regimes on the basis of religious, linguistic, ethnic, etc. identification, as well as for utilising these issues to disrupt the unity of the exploited and oppressed masses.

It is wellknown that most of the presentday under-developed countries had passed under European colonial rule because of the lack of unity among the different communities and principalities inhabiting them. Both in Sri Lanka and undivided India, the colonial powers had established their dominion by utilising these internal conflicts. With regard to India Marx said:—

“How came it that English supremacy was established in India ? The paramount power of the Great Mogul was broken by the Mogul Viceroys. The power of the Viceroy was broken by the Marhattas. The power of the Marhattas was broken by the Afghans, and while all were struggling against all, the Briton rushed in and was enabled to subdue them all.”<sup>22</sup>

One of the principal ‘regenerative’ results of the British rule in India, as visualised by Marx, was to be “the political unity of India” which was “the first condition of its regeneration”.<sup>23</sup>

This unity was further developed by the freedom struggle and had immensely contributed to the building up of an Indian identity among its diverse population. Instead of carrying it forward by deepening the democratic content of the polity and its reflection in the consciousness of the people, the Indian ruling classes by their acts of commission and omission have succeeded in unleashing strong fissiparous tendencies which today are threatening the edifice of a united India. Similar tendencies are manifest in many of the underdeveloped countries.

In India, this disruptive trend has another important dimension because of the prevalence of the inhuman caste oppression and the presence of a large proportion of tribal population still submerged in primitive conditions. The development of the socalled Green Revolution has increased the powers of the affluent farmers, generally belonging to the upper and middle castes, and their urge for depressing or at least pegging agricultural wages at a low level, rising productivity and profitability of agriculture notwithstanding. This has led to a sharpening of class struggle in the countryside and escalation of the aggressiveness of the upper caste affluent farmers against the low caste agricultural poor. Similarly, the expansion of mining and manufacturing industries, along with the setting up of multipurpose hydro projects in areas inhabited by tribal population, is not only disturbing traditional tribal culture and way of life but also subjecting them to new forms of ruthless exploitation. Any resistance to their increasing degradation on the part of their marginalised population meets with brutal violence from the vested interests, often in collusion with the state power.

The unrest of the low caste agricultural labour and the exploited tribal masses are in their essential contents struggles against the capitalist social order. But lacking critical self-consciousness, as the toiling masses do, their aspirations are often wrongly articulated in traditional sectarian terms and this often pits one section of the labouring people against another.

Because of the sharpening of the crisis and intensification of repression, accompanied by the retarded growth of conscious class struggles, the desperate people often are misled into fratricidal activities among themselves — leading to further fragmentation and splintering of the popular forces, to the advantage of the ruling classes. This violence, accompanied by the official and more frequently unofficial violence unleashed by the vested interests and their state power against the oppressed masses, is leading to a brutalisation of society, instead of its increasing humanisation.

This brutalisation of social life takes many forms and has many sources. In India, the traditional oppression of and discrimination against the women has in recent times turned into a spree of bride-burning among the middle reaches of the middle class. The greed for costly gadgets, whetted by the impact of

western consumerism, is now sought to be satisfied by extorting large dowries from the in-laws. Insatiated lust for cars, TVs, fridges, etc. turns into hatred for the unfortunate young brides and leads to their brutal murder. In Pakistan, the urge to get legitimacy for the military dictatorship by recourse to 'Islamisation' has 'advanced' the society back to medievalism, and public lashing, stoning to death and amputation of limbs, have found a place of honour in the country's penal code.

Socalled modernisation under the bourgeois aegis in the underdeveloped countries in this closing phase of world capitalism is thus leading these countries back to medieval culture.

## VI

Viewed from the forgoing perspective, the key tasks facing the Marxists in the underdeveloped countries today in their struggles against the TNCs and their local agents and for safeguarding the world from a nuclear holocaust and for advancing to the goal of real development on socialist lines stand out very clearly. They are:-

- (i) Unification of the toiling masses and progressive forces in each country;
- (ii) Linkage with the working people and the progressive forces in the neighbouring countries in the first instance and the entire underdeveloped world in due course;
- (iii) Linkage with the working class and progressive forces in the developed capitalist countries; and
- (iv) Critical solidarity with the countries of the actually existing socialist system.

Although these tasks are enumerated as separate items, they are essentially one and the same, as each one of them entails a struggle for consistent, revolutionary democracy. "The proletariat," said Lenin, "cannot be victorious except through democracy, i.e. by giving full effect to democracy and by linking with each step of its struggle democratic demands formulated in the most resolute terms."<sup>24</sup>

Consistent democracy, anchored to the sovereignty of the basic masses, Lenin emphasised again and again, is based on opposition to all privileges based on property rights, language, religion, nationality and so on and on commitment to equality of rights and opportunities. Said Lenin:-

"Working class democracy contraposes to the nationalist wranglings of the various bourgeois parties over the questions of language etc., the demand for the unconditional unity and complete amalgamation of workers of **all** nationalities in **all** working class organisations... in contradistinction to any kind of bourgeois nationalism. Only this type of unity and amalgamation can uphold democracy and defend the interests of the working class against

capital — which is already international and becoming more so — and promote the development of mankind towards a new way of life that is alien to all privileges and all exploitation.”<sup>25</sup>

The spearhead of this broadbased democratic mobilisation in every part of the world can be the industrial working class only. Since the industrial working class is a very tiny segment of the population in the underdeveloped countries, this class has to imbue itself — through revolutionary praxis — with a steadily rising critical self-consciousness. The Marxists can and should play their part — in the underdeveloped countries as in other regions — by trying to become more and more consistent in their understanding of Marxism and by bringing about greater conformity between their theory and practice.

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Study: Aspects of Moral Politics

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