

*To Maria
with paternal regards
Vicent*

HISTORICAL TRIUMPH: CAPITALISM OR SOCIALISM?

or

Are the Rebellious Chinese Masses Asking for Capitalism?

by

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Thank you very much for inviting me to comment on the issue, widely debated today, of the assumed superiority of capitalism over socialism. The mainstream media bombard us day after day with the message that the historical conflict between these two approaches to human development has already been resolved to the advantage of capitalism. This message is frequently reproduced even by large sectors of the left in this country. Professor Robert Heilbroner, a left-of-center political economist in the political spectrum of the US, wrote recently in a major journal - The New Yorker of January 23 - that "less than 75 years after it officially began, the contest between capitalism and socialism is over: capitalism has won." The title of the article was "The Triumph of Capitalism." Almost at the same time, another political economist, Lester Thurow, an advisor to the Democratic Party of the US and to the major labor federation of this country - the AFL-CIO - wrote in the New York Times that he did not know "of any major American intellectual or economist ... who has called for government ownership of the means of production in the last 40 years."

These pronouncements are made at a time when anti-socialist hysteria has reached a new high in the US media. Evening after evening on the TV news, we are told that the masses living under socialism are looking at the US democratic capitalist system as the model to emulate. Witness the reporting in the evening news of the current Chinese students' rebellion. CBS, ABC, and NBC all present that splendid rebellion as a revolt against socialism and a demand for a US-type of democracy and capitalism. The fact that these same rebellious students are marching behind red banners and singing the "Internationale" (referred to by Dan Rather of CBS as a "beautiful patriotic Chinese song") does not seem to impress the broadcasters. The beautiful "Internationale" is not merely a patriotic Chinese song. It is the song of all workers of the world and the major socialist song since socialism appeared as an attractive prospect for millions of people. To believe that masses singing the "Internationale" are anti-socialist is similar to believing that the masses who sang "We Shall Overcome" in the US of the 1960s were anti-black.

The chauvinism of the US media establishment is boundless. I have lived in many different countries, and in none of these countries are the major media so uniformly chauvinistic and uninformed as in the US. The capitalist class dominance of the US media is practically absolute. The absence of a socialist mass movement in the US and its media instruments explains

why the US media establishment remains unchallenged and unconstrained in its manipulation of the reporting of world events. Distortion of socialism in those media is constant, with socialist views rarely allowed. An article entitled "The Triumph of Socialism" with the first sentence reading, "Less than 75 years after it officially began, the contest between capitalism and socialism is over: socialism has won," would not have much chance to appear in The New Yorker or any other major magazine in this country. This is why Americans do not know much about socialism and socialist intellectuals are not well known in the US. Some of the best-known socialist intellectuals and economists in the world today, such as Paul Sweezy and Harry Magdoff, are from the US and live in the US, the country where they are least known. Lester Thurow may not know of them, but he should know that, outside the US, their names are far better known than that of Lester Thurow and many other economic luminaries who are allowed to parade in the establishment circles of power in which only pro-capitalist views are allowed.

But let me go back to the initial topic I was asked to discuss, and let us deal with one of the most important questions that my generation as well as your generation is facing. What system better responds to the needs of the majority of our populations?

I believe that in spite of the relative youth of the socialist experiences, we already have enough elements in hand to answer this question. Facts speak for themselves. But first allow me to define the terms of the question and explain what I mean by socialism and capitalism. These are far from being simple definitions. . By socialism I mean a way of organizing the production and distribution of goods and services in society that responds to the needs of the population. In order to be able to achieve this goal, I believe there is a need for the collective (which may or may not be state) ownership of the means by which these goods and services are produced. Capitalism is the production of goods and commodities for the profit of those who own the means by which such goods and services are produced. The realization of profits for the few and the satisfaction of the needs of the majority rarely coincide. When they do, it is merely conjunctural, not structural.

Let me now focus on how we can prove that one system is superior to the other. First, we must be able to compare apples with apples rather than with oranges. In other words, we have to compare countries with similar levels of economic development, or what is usually referred to in political economy discourse as similar levels of development of the forces of production. This

clarification is needed in the light of the comparison frequently made between the US and, let us say, Cuba, to show the superiority of the capitalist US over socialist Cuba. While I believe that in many important areas, such as health indicators, the Cuban experience compares quite favorably with that of the US, such a comparison is invalid to prove or disprove anything since the levels of development are not similar. Cuba should be compared with its peers in Latin America.

The second point I will address is whether the popular rebellions that appear in socialist countries such as People's China respond to a popular desire for capitalism or for socialism.

The third point is that in order to analyze the superiority of one system over the other, we must look at the historical evolution of both systems, i.e., we have to see the nature of change (e.g., rate of change of quality of life indicators) in different time periods and the forces behind those changes. In other words, I postulate that even if there were no socialist countries today (a position I do not share), we could still discuss the worthiness of socialism over capitalism or vice versa by comparing capitalist countries with similar levels of development but with different correlations of forces among pro-capitalist versus pro-socialist forces. In other words, capitalism and socialism are not static phenomena. They are social projects that are imbedded in political forces that aim at the full realization of capitalism and socialism.

Consequently, I will divide my discussion by looking at evolution of quality of life indicators (1) in socialist versus capitalist countries of similar levels of development, with a discussion of recent events in socialist countries, and (2) in capitalist countries where socialist forces are strong versus capitalist countries where socialist forces are weak.

Finally, let me clarify that I have chosen to focus primarily but not exclusively on health indicators as valid indicators of quality of life. There is nothing that people value more than being alive and healthy. Unless these two conditions exist, all others are diminished dramatically. This point bears repeating in view of how infrequently health issues appear in literature, conservative and progressive alike, that aims at measuring the level of performance of an economy. Economists tend to forget that the only valid way of evaluating a system is by analyzing how the economy affects the everyday lives and well-being of the population. People's health is extremely important. In many parts of the world, working people greet each other by wishing each other good health.

COMPARING CAPITALIST AND SOCIALIST COUNTRIES

I only include as socialist countries those where socialism has been the result of an autonomous revolutionary process, excluding those countries in which socialism has been imposed from outside, as is the case of Eastern European countries or Afghanistan. These countries have been the cases most frequently used to discredit the whole socialist project. In my opinion, they are not socialist.

Let us start with our own hemisphere, and compare socialist Cuba's performance with the performance of other comparable countries that live under capitalist regimes. Table 1 shows that by most indicators Cuba has performed more satisfactorily than all other Latin American countries. While each country has to develop the system that the majority of people choose, one could, in the light of this information, conclude that the great majority of peasants and workers - the overwhelming population of Latin America - would have a higher quality of life under a socialist system than they are having under capitalism.

TABLE 1: Social indicators in Latin America, mid-1980s

	Life expectancy at birth	Infant mortality	Illiteracy rate	Urban unemployment
Argentina	70	35	6.1	6.1
Brazil	63	71	25.5	5.3
Chile	71	24	8.9	17.2
Costa Rica	73	20	6.4	6.6
Dom. Rep.	63	63	27.0	20.3
El Salvador	64	70	38.0	30.0
Haiti	54	107	77.0	40.0
Jamaica	70	28	12.0	25.9
Mexico	59	82	17.4	11.8
Nicaragua	58	84	12.9	16.3
Peru	59	82	17.4	11.8
Uruguay	70	38	6.1 (1)	13.1
Venezuela	69	39	15.3	14.3
Cuba	74	13	3.9	3.4 (2)

NOTE: Mid-1980s is latest available figure.

Infant mortality is defined as dead before 1 year of age per 1000 born, rounded to nearest integer.

Illiteracy rate is for those above 15 years of age.

(1) 1975 figure

(2) Urban and rural unemployment (Census 1981)

SOURCE: Multinational Monitor, April 1989

In Asia, People's China can be compared with India on the basis of its enormous population size, multi-national composition, and level of development. Actually, before the

Chinese Revolution, the social indicators of China - health, education, nutrition, and others - were even worse than those of India. Since then, China's indicators have improved far more rapidly than India's.

TABLE 2

	<u>India</u>	<u>People's China</u>
Under 5 mortality rate, 1945	430	520
Under 5 mortality rate, 1985	158	50
Infant mortality rate (under 1), 1945	203	280
Infant mortality rate (under 1), 1985	105	36
Life expectancy at birth, 1985	57	69
Percent of adults who are literate, male/female, 1985	57/29	82/56
Percent enrolled in primary school, male/female, 1982-84	100/68	100/93
Daily per capita calorie supply as percent of requirements, 1983	96	111

SOURCE: UNICEF Reports, 1984, 1986, 1987

As shown in Table 2, by 1984, China's indicators were much better than India's. If India's infant mortality, for example, were the same as China's, 4 million more infants would be alive today. One infant's death every five seconds is the cost for India to live under capitalism. I wish good health to Professor Heilbroner's children, but he should realize that many parents in the underdeveloped world are crying over their beloved ones' graves as a tribute to the system he claims has won.

Another major country in Asia with a great diversity of nationalities is the Soviet Union. If we compare the Asiatic republics of the USSR with comparable republics on their borders, we find that the health indicators are much better today in the socialist republics of the USSR than in the bordering capitalist republics, even though the health indicators were equally bad before the socialist experience was established in the Asiatic republics of the USSR.

In Africa, the socialist experience is too new to be able to detect significant major changes. But in Yemen, which is divided between North (capitalist) and South (socialist), a faster improvement has been reported in the level of nutrition in the socialist than in the capitalist side.

In Europe, the comparison is not so favorable for socialism. The European part of the Soviet Union does not have better social indicators than large parts of capitalist Western Europe. It is this situation that has led many professional anti-Soviets in the US to define this health gap as an authentic failure of socialism. Let me quote from one of these voices.

There is not a single country in all of Europe in which lives are so short or babies' deaths are so high - not even impoverished, half-civilized Albania. In the realm of health, the Soviet Union's peers are to be found in Latin America and Asia.

This paragraph, fairly representative of writings on health in the Soviet Union, appeared in the prestigious New York Review of Books. The facts, however, do not show such a situation. Life expectancy in the European USSR was 74 years in 1985, better than in the overwhelming majority of Latin American and Asian countries, and better than in Austria (73 years) and Portugal (72), similar to that in Belgium (74) and West Germany (74), and worse than in Sweden, Switzerland, Norway, Netherlands, and the majority of Western European countries. The European Soviet republics have an infant mortality of 18 infants per 1,000 live births, higher than in the majority of Western European countries (the median is 11) but much better than in the overwhelming majority of Latin American and Asiatic countries. These figures are easily available in UNICEF and other UN reports. The New York Review of Books article was plain wrong. The Review, however, did not publish the note of correction I sent them. Cold-war soldiering is mindless of what Pablo Neruda used to call the stubbornness of facts. Still, the reality is that the Soviet Union has not done as well as it could in the European socialist republics. A country that can send a person to explore space but cannot protect the life of a newborn down here on earth should be criticized. I have done this in my book-critique of the Soviet system. This critique was not allowed in the USSR. Stalinism also benefited from the cold war. Each society - US and USSR - vetoed the voices dissenting from its position of orthodoxy. I have been told that one can now, under Gorbachev, get my book in the USSR. I doubt that the New York Review of Books would, even now, publish my corrections. Glastnost has not yet reached the US.

This brief but meaningful comparative survey shows that socialism rather than capitalism is the form of organization of production and distribution of goods and services that, at least for the large majority of people living in the underdeveloped world, better improves the quality of life for most people. In terms of health, nutrition, education, and housing (items that consume

60. to 80 percent of a family's budget in most capitalist societies), socialism offers a better solution for the poor masses than does capitalism. Socialism, rather than having been deflated, is alive and well and doing much better than capitalism, a force that is responsible for the death of a child every two seconds in today's world.

ARE THE POPULAR DEMANDS AND SOCIAL UNREST IN SOME SOCIALIST COUNTRIES DEMANDS FOR CAPITALISM?

This is the impression that one gets in reading the US press. But you have to realize that the US media do not describe reality. Rather, they create reality according to the views of their owners. I invite you to look at who sits on the Board of Directors of the Sun paper, or of The New York Times, or of The Washington Post, the papers that I know the majority of you read to find out what is going on around us. They are very rich people indeed who are far from being representative of the majority of the people who live in Baltimore, New York, or Washington. The majority are white and male. But most importantly, all of them are members of the dominant capitalist class whose interests are paramount in creating a reality that fits their interests. You may say that the journalists, the ones who write the stories, are not members of that class themselves. You are right, of course, but remember that it is the Board that appoints the Editor-in-Chief. And the Editor-in-Chief hires the journalists. Because of this line of authority, it is extremely unlikely that the newspapers' owners will ever allow, for example, the presentation of papers showing that socialism may work better than capitalism, not for people like them (it would not) but for the majority of people. It is in the objective interest of those who own the press of the US to show that socialism does not ever work. They want you to believe that people who live in socialist countries are extremely unhappy, thirsty for a system like that in the US, full of freedoms, freedoms in which only the merits of capitalism are allowed to appear in their press.

But let us look at the demands of the most popular rebellion in a socialist country that we have witnessed, People's China. Contrary to what you are told in the US media, the Chinese masses are both asking for democracy and protesting the inflation, enormous wage differentials, deterioration of life, luxury consumption, and other social ills brought about by the capitalist market reforms of the current communist leadership. You have not read anywhere in the US

media that one of the students' and workers' demands is for the government and economic enterprises to stop importing luxury items such as Mercedes-Benzes and instead use those resources to build up the socialist infrastructure in science, education, and health. You have not read anywhere in the US press, either, that the students' rebellion was started and led by the young communists attending the school for party cadres of the People's University of Beijing. The European press (such as La Republica in Italy and El Pais in Spain) has reported on these important matters. The US press has not. You may have noticed that the Chinese students and workers constantly sing the "Internationale," a most beautiful song, the socialist song par excellence, and that they carry red flags.

Why, you may ask, are the students and workers asking for democracy while carrying socialist slogans? Is there not a contradiction between the two? Are they not marching against a socialist leadership? Are they therefore anti-socialist and pro-capitalist?

In order to answer these very good questions, I need to deal with one of the most important and complex phenomena that have occurred in the twentieth century. I am referring to the socialist revolutions, revolutions that take place with the intention of changing the pattern first of class dominance over the state and later on of the means of production. A socialist revolution occurs when political forces representative of the interests of dominated classes - workers and peasants - take state power with the active support and participation of these classes. This process occurs in the middle of enormous hostility and oppression from national and international interests, among which the US government always plays a critical role. These revolutionary forces - usually parties organized as paramilitary forces - unavoidably become the state. This unavoidable situation, however, also forms the basis for a possible major problem that could manifest itself later on. At the beginning of the revolutionary process, it is not much of a problem because these parties (Leninist parties) are enormously popular and enjoy enormous prestige. People gladly follow their leadership. These parties call upon the experts - the much-needed technocracy - to help in the running of their societies. The trains, after all, need to arrive on time. And health centers need to take care of people. This new power block, party-state bureaucracy-technocracy, can, with time, remain accountable or become unaccountable to the classes it represents. In the latter case, the power block can become a new stratum and even a new class when some of the privileges it has acquired are passed along to its children. This

possibility becomes a reality when there are weak instruments of democratic participation that could guarantee such accountability. Important sectors of that power block may resist the development of these democratic instruments. A struggle then appears within the party and the state in which the technocracy frequently supports the undemocratic elements of the party.

Even in the absence of strong democratic instruments, it is likely that these new strata, party-state-technocracy, will remain popular among the population who had experience with the revolution, since the party enjoys great prestige for quite a long time. But new generations, educated according to socialist principles, are most likely to have a less reverential attitude toward those strata. After all, they consider the revolutionary achievements that their parents are so gratified with as part of the natural order of things. They want further development of that project. And it is likely that they will increasingly question the privileges of those strata. In this questioning, they may carry along many of their parents and others and create fissions within the party.

Let me cite a specific example of what I mean. In the late 1960s, I had a chance to visit Cuba extensively, including some of the small villages in Sierra Maestra, a beautiful part of the country. In these visits, I was invited to sit during the deliberations of the Executive Committee (something like a Board of Directors) of the health center of a small village in Sierra Maestra. The members of the Executive Committee were elected by the community and by the workers of the health center. I remember being very favorably impressed by the community representatives, including Ms. Garcia, a superb peasant and housewife who was completely dedicated, as was everyone else in that village, to the successful development of a socialist project in Cuba. The meaning of this for that village included the assurance that people in the village would get health care in time of need. I also met Dr. Rodriguez, a doctor from Havana who had been sent to the village by the Revolution. I could see that while Dr. Rodriguez was, in theory, just one more vote in a 12-member committee, he practically dominated that committee. None of the villagers had seen a medical doctor before, and he had been sent to the village by the Revolution. In the 1960s in Cuba, you could not be more powerful than a medical doctor who was also perceived as representing the Revolution. Even such excellent militants as Ms. Garcia would react approvingly to practically everything Dr. Rodriguez suggested.

I went back to the same village 15 years later. The Executive Committee and Dr. Rodriguez were still there, but I noticed that besides Ms. Garcia there was an impressive young woman, Maria, who had grown up after the revolutionary date of 1958. For her, to have a health center in the village was the natural order of things; there had always been a health center there. Moreover, she had been educated according to new democratic anti-authoritarian values. She was far more questioning of Dr. Rodriguez - whom she referred to as *compañero* Jose - than was Ms. Garcia. And she had no qualms about telling him he was wrong. I could see that Dr. Rodriguez resented Maria. Like most clinicians, he saw himself as the expert on health. He saw community participation as valid to the degree that it stimulated the implementation of health policies defined, for the most part, by him and by the Ministry of Health. He resented that Maria wanted more than just participation in the implementation of health policies. She wanted to participate in the genesis of those policies. She had different ideas of what health was about than Dr. Rodriguez. She actually had a better grasp of public health. Dr. Rodriguez gave great emphasis to the individualistic clinical approach to resolving health problems, an approach that also empowered him enormously and put the community in a passive role. He was legitimizing the power (and the privileges that power carries) by referring to his scientific expertise. Maria knew more than that. She knew that behind that discourse there was a defense of specific interests. A struggle took place between Maria and Dr. Rodriguez. The latter was frequently supported by some elements of the bureaucracy of the Ministry and some branches of the Party. The struggle was not Maria against the Party. Maria herself was a member of the Party, and many members of the Party agreed with her. The struggle was within the Party itself.

This struggle between Maria and elements of the new strata - party-state bureaucracy-technocracy - is unavoidable. It will appear in all socialist societies. And this is what is happening in People's China today: the struggle of the young generations educated in a new set of values that question the power of unresponsive strata which constrain most dramatically the advancement of a future they were promised. It would be wrong to see the struggle as a demographic conflict. It is far more than that since the young can mobilize many other sectors of the society as well.

The identification of party with state (unavoidable in any revolutionary process) will become the source of a major problem if that conjunctural situation needed in any revolutionary

process becomes a structural one. Then the state-party-technocratic apparatus can become a rigid, oppressive, and constraining force. To recognize this dynamic in revolutions does not mean, as you are frequently told, that however much things seem to change, they will remain the same. I have already shown in the previous section that things do not remain the same. The quality of life has improved in these post-revolutionary societies. But even more importantly, the new generations in socialist societies have higher levels of expectations than their counterparts in the capitalist world at the same level of development. What those generations under socialism have been told they should aspire to is more than what their fellows in capitalist countries have been taught or have experienced. Sixty-four percent of Mexican youth, when asked what they need most, replied that they wanted a stable full-time job. Seventy-five percent of urban youth in Cuba responded to a similar question by asking for a broader diversity of cultural opportunities. As President Roosevelt once said, only those who have already achieved economic rights (such as fair wages) and social rights (such as access to education and health services) will keep demanding political rights. In the absence of these rights, the political rights are dramatically limited.

How does one resolve the problem of the newly established strata that are unresponsive to people's demand for expansion of the quality of life and for active participation in the running of their lives? The solution proposed by the so-called modernizers in People's China is to bring elements of capitalism into the system. Let the individual as a consumer have a major voice in the allocation of resources. To get rich is a valid and accepted way of motivating people. We have witnessed in China the promotion of this way of thinking as a way of bypassing the state's rigidity in the management of the economy. In this approach, solidarity disappears. In the health sector, the national health services are weakened, and the market reigns. There is a social cost, however, a cost that we know all too well in the US: inflation, unemployment, and the reappearance of malnutrition as a mass phenomenon. Infant mortality has reversed its decline and has begun to increase again in People's China.

The alternative solution is the one demanded by the students and by the Marias of the socialist world: to democratize the state, the party, the scientific, and all institutions in which serving the people should be the motto that guides society. As reported by the European press, the first question Chinese students asked of the government leadership in the history-making televised debate was, "How are you serving our people?" This is the meaning of the demands for

democratization. Even if they are defeated, that demand is unstoppable. This is the meaning of the demands for democratization. The institutions have to serve the majority and not the minority of the population. And this situation will not be reproduced unless it is the majority rather than the minority that runs these institutions. The demands for democratizing socialism are unstoppable. This democratization will not occur by adding elements of capitalism to socialism. Capitalism is not democratic, and the history of capitalism shows it. The capitalist classes have opposed the opening of the democratic space in most spheres of life. In the Western world, the working class has been the major force behind the expansion of democratic rights, including political rights. Which leads me to the last point I want to address: the responsibility for the expansion of the quality of life under capitalism.

CAPITALIST ELEMENTS UNDER SOCIALISM AND SOCIALIST ELEMENTS UNDER CAPITALISM

In the last two months, we in the developed capitalist countries have also seen students and workers carrying red banners and singing that beautiful patriotic Chinese song, the "Internationale." In Spain a few weeks ago, millions joined a general strike against the economic and social policies of the socialist government. A general strike means that all workers stop working the same day or period, forcing the entire country to stop. Instead of working, workers marched to protest what they perceived to be the pro-capitalist austerity policies of the socialist government. Five weeks afterward, Italy also witnessed a general strike protesting the policies carried out by a government that included the socialist party as one of its partners. The reason for that strike was workers' protest against the establishment of fees for the provision of health services.

All these events and many others unreported in the major US media occurred while a theory is being widely reproduced in both right- and left-wing intellectual circles that the working class is disappearing and that socialism has become irrelevant for resolving the needs of the majority of our Western populations. Here again, capitalism is presented as more successful than socialism in resolving people's everyday problems.

The historical analysis of the evolution of Western developed capitalism shows, however, that the overwhelming number of reforms made under capitalism - including the welfare state -

to improve the quality of life of the Western populations have been resisted by the capitalist classes and have been promoted and struggled for by the working classes and their instruments. These socialist instruments - social democratic, labor, and communist parties - at least in theory, claim alliance to the socialist project, including a commitment to the need for collective ownership of the means of production. In the overwhelming majority of the constitutions of these parties, there is a clause calling for the collective ownership of the means of production. Contrary to what is frequently reported, the welfare state was not granted by the capitalist classes to coopt the working classes in Western capitalist countries. The welfare state was won by the working classes with a lot of their blood, sweat, and tears. Socialist parties of either the social democratic or communist tradition were instrumental, for example, in assuring the establishment of national health programs that guarantee access to health care in time of need as a human right. The fact that the US is the only country that does not have such a program is due to the weakness of the working class and the absence of a mass-based socialist party.

Now some may say that these reforms, however meritorious, do not have much to do with socialism. Even though the primary forces behind them were socialist forces and the working class they represented, these reforms humanized capitalism but did not necessarily advance the cause of socialism.

It seems to me, however, that a historical review of what has occurred in developed capitalist countries would show that this position - that reforms do not necessarily advance the cause of socialism - may or may not be accurate, depending on the type of reforms. There are reforms that divide and weaken the working class. The means-tested social programs that we find in the US in theory respond to the politics of compassion and in practice divide the working class. This is the type of reform encouraged by the capitalist class. But there are other reforms that help the working class by uniting and strengthening it. These reforms are universalist and benefit all members of the working class and allied forces, and they respond to the politics of class solidarity. Moreover, they are the only reforms that can have a redistributive effect, from the capitalist class to the working class. In the US, for example, Social Security is the only government program that has a redistributive effect, from the top 20 percent to the bottom 80 percent of the population. Such a redistribution is even more accentuated when programs are

funded with revenues acquired through progressive taxation. The national health programs that are universal, when supported with progressive taxation, have an important redistributive effect.

You may still ask what all these universalist programs have to do with socialism. The answer is on two levels. First, to the degree that services (such as health care) are distributed according to need rather than ability to pay, we are introducing elements of socialism under capitalism. In other words, we are going against the logic of capitalism and in so doing, decommodifying goods and services. In the same way that calling for profit over human needs in a socialist society introduces elements of capitalism that may lead to socialism's demise, calling for human needs over profits in a capitalist society introduces elements of socialism that may lead to capitalism's demise.

Second, a historical survey shows that the welfare state was created primarily in the post-World War II period. The establishment of the welfare state did not require collective ownership of the means of production. In the 1950s and 1960s, workers asked for, and to some degree obtained, jobs, wages, and compensation for damage created at the workplace. At the state level, workers demanded universality of benefits such as health care, pensions, and social security. But the satisfaction of those demands in the sphere of consumption led to an escalation of demands both in consumption and the area of production. In the late 1960s and 1970s, workers also asked for changes in the pattern of control at the workplace. At the state level, they added new demands for democratization. The May events of France, the hot summer of Italy, and the miners' strike in Sweden, among other workers' rebellions in the West in the late 1960s, took place in moments of boom and expansion of the welfare state, not in moments of economic depression and retrenchment of the welfare state. In some countries, as in France, these movements reached pre-revolutionary proportions, with workers taking over the factories. Thus, in the 1970s, a lot of demands appeared that touched not only on the area of consumption but also on the area of production. Indeed, there was a growing awareness that in order to further respond to people's needs it was necessary to touch on the issue of ownership of the means of production as well. It was specifically this development, plus the successful revolutionary development in the underdeveloped world, that threatened the capitalist order and triggered in the 1980s the most brutal anti-working-class interventions since the early years of this century.

It was in this context that several developed capitalist countries witnessed the electoral mass victory of socialist parties that ran on programs advocating the need to transcend capitalism. France is a case in point. That they failed to do so does not negate the fact that they were elected by large majorities who felt attracted to the socialist project.

A worker who has job security and a social network of support is likely to question the nature of that job and the control over it. An unemployed worker is likely to just want a job, any job. Reforms can be cumulative. They can strengthen the working class and lead to questioning of the capitalist order and its priorities.

To recognize that reforms can lead to socialism, however, does not mean that socialism can be built piece by piece under capitalism. Capitalists strike when they are under duress. The enormous, heartbreaking suffering that we are witnessing these days as a result of austerity policies shows this.

But here, several clarifications also need to be made. One is that contrary to what you are being told, the increase in unemployment and the dramatic increase in stress-related diseases in the Western world do not result from an economic crisis. The majority of people are hurting not because there is an economic crisis. Quite to the contrary, people are hurting as a way of resolving the crisis for the capitalist class, which does not make enough profit, or feels politically threatened. Crisis in an economic system only exists when the system cannot get reproduced. Therefore, people can get very hurt, and this does not mean that the economic system is in crisis. People are hurting because this is the way the capitalist class resolves its problems. And one of these problems is the rising level of human expectations that occurred in the 1960s and 1970s that may threaten the power of that class. Unemployment and the weakening of the welfare state ways of solving the escalation of workers' demands, not only on consumption but on production as well.

The second point is that economic crisis does not lead automatically to political crisis. Each has a certain autonomy. The pre-revolutionary situation of the 1960s took place at a time of economic expansion triggered in the Western world by the VietNam war. The political crisis was primarily a result of the escalation of popular demands. Those demands were not presented as revolutionary demands - the workers were not explicitly asking for socialism - but they had a revolutionary potential. For example, during the famous hot summer events, Italian workers

were asking for factories where workers could enjoy work and sing while working. The full realization of that demand required transcending capitalism, and the capitalist class knew it.

The third point is that revolutions do not take place because revolutionary classes take state power. No socialist revolution has ever occurred because a revolutionary working class and/or peasantry decided to take state power. History shows that no modern social revolution has ever been brought about by a unified class demanding a completely new social order. Revolutions have occurred when those classes mobilized and demanded very specific reforms such as peace with Germany, land, and social security in the Bolshevik revolution, or land, liberty, and the end of repression in the Nicaraguan revolution. Whether a revolution occurs or not depends on the strength of the dominated classes' demands and on the ability of the capitalist or dominant classes to respond to these demands. The continuous demands for reforms within an order incapable of responding to them have led to the revolutionary transformation of that order. The task of the socialist forces has been to stimulate and support these demands and to assist in their linkage - unity - that will make this transformation possible.

The lack of economic and political space for the capitalist classes in underdeveloped countries to respond to such demands explains why fascist or authoritarian regimes or socialist revolutions occur more frequently in the world of underdevelopment than in developed capitalist countries.

Still, we are witnessing today a reduction of the space for the capitalist classes of developed capitalist countries to respond to those demands - thus their unprecedented aggressiveness. But, just as the Chinese developments are unstoppable, the demands all over the world to produce for people's needs rather than for profit will be unstoppable. Even in the US, where the working class is weakest, we have witnessed in the last few years the development of a new force - the Rainbow movement - which is the first movement in a long time to call for a society that puts people's needs before profits. And although this movement would not consider itself socialist, the realization of what the Rainbow is calling for gets into enormous conflict with the holders of power under our capitalist system. If you decided not only to pose the question you asked me at the beginning of this session but also to use my answer to improve the conditions of the majority of our people, I would invite you to join the Rainbow and keep alive the hope that

young people may replicate in our time what the splendid youth of People's China are doing in their own country.