

BEYOND DE-LINKING

**DEVELOPMENT BY POPULAR PROTECTION vs. DEVELOPMENT
BY STATE**

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Introduction

The world capitalist order embarked on the era of globalization: an era characterized by capital's victory over labor and even over humanity as well as an era of defeat of the world revolution. For this reason, it is hard to tackle development from a scientific, militant, and class perspective and not from an academic and neutral point of view. The difficulty stems from various reasons. One of these reasons is the moral defeat of many former revolutionaries who either renege or were demoralized to the extent that they considered revolution or even social transformation a dream. Many militants, who spent several decades fighting for social transformation, have become mere reformists and apologetic for their past. Parallel to the defeat of the revolution, the world capitalist order fell, in the last quarter of the twentieth century, into an economic crisis. These developments intensified capitalist lust for profit and facilitated its deterioration towards fascism.

The third millennium witnessed an unprecedented colonial campaign launched by the core capitalist countries against those of the periphery. This is another reason that makes social transformation and revolution urgent, necessary and legitimate.

On the other hand, the anti-war and anti-globalization popular movements, such as the victories of the left in Latin America and Arab (Palestinian and Iraqi) resistance against the Zionist and US-British led occupation affirm time and again that a revolutionary world is possible.

Chapter One in this book analyzes recent developments in the world capitalist order from the center/periphery approach. However, this analysis is different and concrete as it attempts to elaborate that globalism is a higher stage than imperialism in the development of the capitalist system. The chapter places emphasis on the differences between colonialism, imperialism and globalization and policies of the new world 'empire', the United States, which, through neo-liberal policies, aim to re-colonize the countries of the periphery and push the world again into a new world war by core capitalist regimes against countries of periphery, and a war among core countries themselves.

Chapter Two is a critical survey of several developments and modernization theories, policies and strategies of the right and left. The chapter shows that these theories, strategies and policies have not been materialized in a real human development. For this reason, the world ends up dominated by fascist capitalism. Since these strategies are led by the state and not the popular classes, they were deliberately designed to serve the interests of one class, and accordingly, can no longer be the proper vehicle for development.

Chapter Three deals with the issue of culture within the context of its relationship with development. In the last decades of the 20th century, some development writers argued for the role of culture in development. Through their critique of economic reductionism, these writers fell into cultural reductionism and their right wing fell into racism when they attributed the ability of development only to western capitalist societies.

In Chapter Four, the role of the state in development is explored. The chapter presents a limited survey of that role. The analysis places emphasis on state role as a tool for achieving class interests and as such, the state stands far from achieving real and just development. All forms of development that were sponsored by state apparatus served development for a certain class: capitalist class in capitalist social formations or bureaucratic apparatus in the former Soviet Union and its allies, which finally led to a new form of capitalism, mafia capitalism.

Chapter Five explains socio-economic premises and environment in which the author's suggested model of development, Development by Popular Protection (DBPP), was developed in Palestinian territories of the West Bank and Gaza Strip (WBG) when they fell under the occupation of the Zionist Ashkenazi Entity-Israel (ZAEI) in June 1967. The chapter includes an analysis of the position of the Palestinian capitalist leadership towards development. The brutality and terror of Israeli occupation, the de-radicalization of the PLO, and later the corruption of Palestinian Authority (PA) created the environment and proper conditions for a popular model for development.

Chapter Six explains DBPP in its theoretical and practical components. It demonstrates that this model, though developed in a practical case study in the WBG, it is largely applicable to the Arab and Third World countries. It is a Third World Model that aims to challenge the hegemony of the capitalist core and its Globalized Capitalist Public Sector (GCPS). The concentration on the Arab Homeland stems from the assumption that it is the case study for applying that model. So, this concentration is never based on a narrow 'nationalistic' standpoint.

Finally, Chapter Seven is a comparison between the DBPP model and that of De-linking. In fact, DBPP goes beyond de-linking. While De-linking has been adopted and/or designed for Third World countries during the era of imperialism, DBPP provides a critique of De-linking shortcomings, and attempts to challenge capitalist domination in the phase of globalization, which expands its domination through either re-colonial aggressions or the creation of a Global Capitalist Public Sector (GCPS). For the Third World, the countries of the periphery, to challenge this capitalist barbaric campaign, it is only the people and not the state of one class that is able to face that challenge and gain victory over capital at national and international scales. To challenge globalism of capital by people's internationalism is the only and probably the last possibility for the humanity to save itself.

The work on this book was initiated during my visits to the United States (1999 – 2003). I was hoping that I will be able to further and complete my research of the many valuable sources and references upon return to the US in a future visit. However, my mission was not accomplished as the Israeli authorities would not allow my departure from the Occupied West Bank.

Adel Samara
Ramallah – Occupied West Bank
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Chapter One

The World capitalist System in the Phase of Globalization

In the Conception of Development:

The aim here is not to provide the reader with an elaborated complex definition for *development* but rather to explain it in a simple way. This new understanding, achieved through explanation, analysis, and critique, will inevitably pave the way for a new *development* approach. This alternative development approach, *Development by Popular Protection (DbPP)*, is not controlled by the state and as such does not possess the characteristics attributed to state controlled development. Generally, state controlled development is used to service a particular class. Although in its best-case scenario it aims to depict itself as a “formally neutral” apparatus placed to be beneficial over all social classes, in actuality state controlled development indirectly aims to only service a particular class.

The language used to describe development differs not only by the school of thought and the formal development policies set by states, but also in the implication of whether or not development is seen in a positive or negative light. Positively associated terms such as *sustainable development*, *human development*, and *developing countries* clearly contrast the negatively associated phrases such as *backward countries*, *growth*, *de-industrialization*, *Less Developed Countries (LDC)*. This ambiguity makes it difficult for the reader to evaluate, criticize, measure, and more importantly define development. Without clarity on what exactly classifies as development we run the problem of being lost amidst this sea of discourse and rhetoric.

To some, the high birth rate of Bahrain native citizens, which constitute a minority of the total population, is considered development. To others, the tight birth control in China is also considered development. Should the high growth rate in China (no less than 8 percent), its extraneously long working days (16 hour working-day), child employment, and corruption that breed millions of *fat cats*, also be considered development? Or should development in China be illustrated in its Maoist socialist model of balanced development, its Cultural Revolution, and the de-linking and bridging of class differentiation and inequality?

Because development has been categorized, characterized, and defined differently by different institutions, we should not be surprised to see contradictory associations. In Europe, the tightly controlled demographic growth or de-population was in a particular time period considered to be development! This shortage of workers forced Europe to open its borders to an inexpensive and cheap third world labor force in a process that has created Asian and African minorities who continue to this day to suffer from white racism. Europe's low population growth has also given rise to new sex and child slavery markets where Asian, Russian, and East European women and children are smuggled to Western Europe and Israel. Is this outflow of peasant surplus labor power to cities considered development because it leads to a decrease in the percentage of peasants in the Third World? Should market expansion also be considered development even though it coincides with the expansion of luxurious consumerism? Should land, which was previously devoted to subsistence farming that is converted to produce export-oriented crops leading to a shortage of basic needs, also be considered development? Has development up until today been a top-down process rather than the other way around? If this is the case, how can development return to normality, provided that it is possible to achieve this arduous task? Can we attribute the exploitation of the female body (*jassad*¹) in western capitalist media (as promotional marketing) to development in terms of the women's struggle for equality in all spheres of life?

While I agree that development must be cohesively applied to all aspects of life (economical, political, cultural and social), one must acknowledge that the pivotal issue that actuates development is class. It is an issue that is related to human re-production and our society's needs that are not only limited to food, but have also come to include consciousness, culture, entertainment...etc. In any capitalist social formation, which is led by its relation to production, class issue is a determinant factor. However, to define development solely as a class issue is troublesome. A better approach in tackling the connections between the capitalist class and development is to ask how class implements development. Moreover, who is really implementing the process and operation of development? Is it the ruling party, the state apparatus, or some particular faction of this capitalist class? In addition to this, does the exploited class realize that it is being exploited? Does the exploited class itself contribute to the creation and re-production of the conditions of its own subjugation? Do popular classes in the countries of the capitalist core (COCC) realize that they are participating in the subjugation of the popular classes in the countries of the periphery (COP) for the interest of the capitalist class? All these questions must be analyzed to better understand the connections between the capitalist class, the state, and development.

After the second imperialist world war and with the emergence of non-allied movement throughout the globe, we see a spread of developmental and socialist ideas throughout the COP. Most of the writers on these issues were anti-capitalist. The world looked as if it was on the verge of a world-wide socialist victory. But with the deterioration and bureaucratization of the Soviet Union, and the high costs of defending against the capitalist core regime's various forms of aggression (including arms race and

¹ Body means in Arabic "*jism*". But, it constitutes some form of vulgarity to use *jism* for human beings especially when one means to illustrate the ascetic and inner beauty of human beings. For this particular case, the proper Arabic word to use is *jassad*.

economic pressure) led even to the failure and disintegration² of the ‘socialist’ countries and the degeneration of a world-wide socialist movement. This failure opened the road for a new and fierce capitalist campaign called globalization. At the same time, however, this defeat has also opened the way for radical evolution and critique of Communist, Socialist, Marxist and Leninist discourse on development³.

Following the disintegration of the Soviet Union and the degradation of worldwide revolution in the fourth quarter of the Twentieth century, the world witnessed, without a doubt, a capitalist campaign to terminate socialist heritage in all its socio-economic and cultural aspects. This capitalist war against development resulted in a two-fold ‘victory’: one specifically over labor and one more broadly over humanity. This ‘victory’ dominates the economic, social, cultural and political spheres. This war has even extended to utilize socialist terminology and language pertaining to development. The World Bank, the IMF, the WTO, and the UNDP are nowadays using many socialist terms such as *development in place of modernization*. Until recently, development was alien to the capitalist discourse and consequently viewed to be counterproductive to their aspirations. This abduction of terminology and language is one of the most dangerous acts, which implements that the capitalist system’s ‘victory’ over labor is moving beyond the economical and social realms and creeping into labor discourse. Since language is an important element of resistance, this act aims to uproot the limited form of resistance that the popular classes have therefore attempting to once and for all block all roads for the revolutionary.

The Center/Periphery Relationship

The Center/Periphery model was produced by the Swedish citizen, Galtung, to describe the world capitalist order as being comprised of two components: the center and the periphery. Galtung’s model shows that there is a relationship between the elites of the center and the periphery. The latter allows the former to exploit its peoples and accepts in return a lower share of the sucked surplus of his country. This form of relationship has its roots in the colonial era when the capitalist class in the core countries built its relation with the traditional, tribal, aristocratic, and merchant leaders in these colonies. Today, the essence of this relationship remains unchanged from the early stages of colonialism.

This study assumes that the antagonistic relationship displayed between the center and the periphery is the most applicable point for analyzing the World Order since it is the stage in which both development and underdevelopment takes place. This relationship becomes more important especially in the era that followed the collapse of a large portion

² Far from all defects of the USSR leadership, especially after Lenin, it should be noted here that the USSR was challenging the core of the world order depending only on its own sources while the core was using the extracted surplus from most of the world to put the USSR on its knees. Accordingly, the competition never was an equal one. But this is not the place to evaluate or judge if the USSR the Soviet Union chooses this confrontation or manage it properly.

³ The first aggression against Iraq (January 1991), and later against Serbia (March 1999), and the current occupation of Iraq (March 2003), are just examples and obvious evidence that the world capitalist order is repeating colonialism.

of the ‘socialist’ block⁴, which led to an expansion of the capitalist center’s domination and its entrenched extension to the periphery. It should be noted that this relationship of polarization occurred before this collapse in the same contextual manner as after the collapse. It became, however, fiercer and more unbalanced. The relationship between the components of the world capitalist system (center/periphery) went through three main stages: it began with colonialism, progressed to imperialism and is currently in its last stage of globalization.

I have chosen not to analyze the capitalist system itself and its internal dynamism, developments, and changes as manifested in stages such as mercantilism, industrial revolution, monopoly capital, recent post-industrial, post-modern capitalism, and the so-called New Economy. Aside from the fact that this is not the subject of my analysis, the reason for this exclusion stems from the fact that the capitalist law of motion is still the same. The capitalist mode of production still the corner stone of the capitalist system, accordingly, there is no change in the content of the capitalist social formation ,i.e. in its mechanisms, prime mover, private property, relations of production, wage labor, exploitation, infinite lust for the highest rate of profit...etc. Briefly, there is no change from within this system. There is no transformation in the structure of the capitalist system. The changes are in the world capitalist system itself. It is not in the national, but international scale. Dramatic changes were (and still are) taking place at the level of the world order, the center/periphery relationship, the struggle between labor/capital, and the revolution on a world scale.

Part I: Capitalism in the Era of Colonialism

The center/periphery relationship began when the more developed European capitalist countries conquered other non- and/or pre-capitalist socio-economic formations in other areas of the globe. The European capitalist began to turn these formations into colonies and began to continuously plunder their wealth directly, or at later stage indirectly through unequal exchange (exchange that took place under military threat). In this era of the World capitalist order, the capitalist powers applied the most brutal means at their disposal to acquire surplus from the colonized countries. The relationship that began to develop between the center and the colonized periphery was worse than the unequal exchange that occurred at the beginning. It was during this era that we witness the emergence of the nationalist “modern” state, a development that has been purposefully limited to the center. This phenomenon, which started in Europe, was referred to as the *age of nationalism*. The center (COCC) invested in the mining sector in colonies looking for raw materials employing the native labor power in a slave manner, and marketing its own products in colonies, a policy which resulted in the termination of the local self-sufficient industries. This is an armed un-equal exchange that obstructs the economic development of the colonies and integrates their markets into world capitalist markets, which are dominated by the center. This colonial policy prohibited colonies from developing their home markets (which is an important factor in the process of nation-building and the strive for national independence). The colonial powers were

⁴ It is not clear whether the rest of the socialist block will resist or collapse, i.e. China, Cuba, Vietnam, North Korea...etc. As for China, the largest socialist state, the class struggle between the socialists and the capitalist roaders still hot.

engaged in an internal rivalry in that era. They were engaged in colonial wars, but it did not reach the fierce level that it reached in the second era, the era of imperialism.

It should be noted that since the center was able to plunder the colonies' raw materials, it has deliberately divided the world order into two components, center and periphery. This division has rendered the colonies as a source of raw materials, consumers, and a pool of cheap standby labor force.

In that era, the center deliberately invested the wealth it drained from the colonies into its own economies and later, in the industrialization of white settlements (the United States, Canada, South Africa, Australia, New Zealand (Emmanuel: 1972, 1974)) and later the Ashkenazi/Zionist entity Israel AZeI. This is a white capitalist polarized development very much related to the content of capitalism's polarity.

In this era, the state's role was limited by the *Leissez-Faire* policy that discourages the state's interference in the economic process. Most of the capitalist literature was centered on emphasizing free competition, free markets, and the rejection of protectionism even though, in practice, protectionism was and still is the main feature of capitalist regimes in the core countries (COP). While the ruling capitalist class in the core countries generated large profits through plundering their colonized countries, this did not minimize the deep exploitation of the working class in the COP. The class struggle between labor and capital was not diminished by the large transformation of the colonies' looted wealth because of many reasons. The simplest of them being that the capitalist class is in a constant search for the largest possible capital to accumulate.

Part II: Capitalism in the Era of Imperialism

During the imperialist era (relatively extending from the last decades of the 19th to the last decades of the 20th century), the capitalist center continued the policy of polarity, and intensified the exploitation of the sources of wealth in the colonies to meet its increased demand for raw materials that it desperately needed for its industrial development. Capitalism in this era maintained the false pretension of free market competition and the state's non-intervention role, while in practice the applied policies were of protectionism designed and practiced by an interventionist state. This era witnessed severe and brutal wars between the capitalist imperialist powers for the dominance over the markets of the COP and their rich sources of raw material. For instance, Bower war in South Africa 1895 and the First and Second imperialist World Wars in 1913-1919 and 1939-1945 respectively.

In this era, the center reaped the fruits of the industrial revolution that was characterized by mass production, monopolies, and the emergence of multinational corporations. This mass production needed more raw materials and larger markets. In this era, the periphery's consumption became larger than it was during the colonial era, in addition to its role as a source of raw material and cheap labor. This was the reason behind the capitalist savage wars among the competing imperialist powers for the re-division of the world markets. None of these imperialist powers were able to totally dominate and subjugate others.

Imperialist wars breed their own negations. For instance, this era witnessed two main developments. The first was the Bolshevik revolution in the Russian Empire which built the first socialist system in human history and set the corner stone for the creation of the Second World: the socialist block. The second was of two phenomenon **a**. While the

imperialists were engaged in their fierce wars for markets in the first decades of the Twentieth century, some peripheral counties found their way to achieve some economic capitalist development as we see in Mexico, Brazil, and Argentina, and **b.** the rise and struggle of the colonized peoples against the colonial powers, which was crystallized in the national liberation movement, or the second world wave of nationalism, the nationalism of the periphery.

In this era, the free competitive capitalism in the core countries was replaced by monopoly capitalism; in parallel to that unequal exchange and blocked development of the COP continued. The colonies became known as the Third World, and international trade continued in favor of the center as it sought to diminish and deteriorate with respect to the periphery.

Inside the center itself, the class struggle between capital and labor continued. Although capital continued to maintain its power, labor was able to achieve many gains in terms of working hours, better wages, women labor, high employment rate, healthcare benefits, social security, economic regulation, and a limited form of public sector. This has been termed the *luxury state*. This relatively internal social peace in the center however, has been financed by the continuous drain of surplus from the periphery. By the mid of the Twentieth century and after the two World Wars, the economy of the United States became the strongest and most developed world economy in both, the civil and military industries. This was the beginning of US world domination that set the premises for the US 'Empire'.

Under the leadership of the United States, world capital became more globalized. It's free movement, i.e. plunder and exploitation, has transformed from national identity to a global sphere; but the center of decision and management has been restricted to the United States', and to a certain extent the EU and Japan. The core countries became more aggregated by forming large blocks, while the periphery witnessed further fragmentation.

Part III: Capitalism in the Era of Globalization

With respect to the context of this study, it is important to emphasize here that it is not yet totally clear to me whether globalization is a mere continuity of imperialism or a completely new phase of capitalism. Although at the surface, the two seem to be one in the same, globalization has some crucial characteristics that ensure its difference from imperialism.

The era of globalization came as a result of a global economic crisis in the COCC, COP, and the socialist camp. It is however, the core capitalist countries that were able to weather the storm, albeit with some serious social and economic injuries. According to the economic-social working mechanism of the core capitalist countries, this deep internal crisis was tackled in the manner of crisis management. There are many aspects that characterized this crisis management. Some of them include the campaign against labor rights, achievements, and women employment and the return of right wing political parties to power as well as the revival of fundamentalism in which the clergy became an *organic intellectual* for the capitalist class. Because this is the case, globalization has to be viewed not only as a 'victory' of capital over labor alone, but also over the popular classes in both the center and the periphery. This new globalized predicament might give

rise to a new and larger *People's War* that does not only include the working class. Perhaps this is the new composition of the world revolution which crystallized in the movement against war.

Beginning in the 1970s, capitalist classes in core countries transformed the center/periphery's economic relationship to a new realization. The center began investing in some areas of periphery to extract raw materials and exploit cheap labor to meet the needs of the new industries. The transfer of some industries however, did not negate the fact that the center's chief investment still concentrated on the three main blocks of the center (the United States, Europe, and Japan). This reminds us of the fact that capitalism in the era of globalization, as other capitalist eras, is a polarized system. The world witnesses two forms of globalization: one for the center and the other for periphery. The transfer of factories to the periphery is to produce production sites as close as possible to the resources of raw materials, the markets, and to the abundance of cheap labor. These transferred industries further pollute the environment, therefore not only degrading the periphery's economic and social structure, but its environmental one as well. This transfer actually demonstrates the limited role of geography⁵ or space and state sovereignty in the periphery. While some writers believe that this led to the industrialization of the periphery (Warren: 1980), this process, at least until today, has proven to deepen the periphery's dependence on the center. Amin rightly argues that the industrialization of periphery was a new specialization in the world system which maintains its polarization.⁶

The core country's export of working capital creates an industry that is somewhat free to exploit savagely. Accordingly, the core countries doesn't need to carry ready and finished goods produced inside its own land to be marketed in the COP markets, as long as these goods are already produced in these foreign markets of periphery. This divides the periphery's working classes into two groups: 1. An elite working class minority employed by the new Western capitalist companies that are built in the COP and, 2. A local working class majority that are employed in local economic sectors for minimal wages. Although this division in working class is created, it should be noted that both working classes are nevertheless prohibited from any form of labor rights, particularly the right to organize trade union. Workers of the periphery who are employed by foreign companies accept wages exceedingly lower than the demanded wages of workers in the center. By doing so, they are unwillingly playing a role similar to that of strikebreakers against their comrades in the core countries. For example, you can say that when workers in the core decide to go on strike to demand higher wages, international companies can have the luxury of not meeting their terms because they have a pool of workers in the periphery that are willing to work the same position, longer hours, more responsibilities, for less pay, so they turn towards the workers of the periphery]. The export of capital and

⁵ "Often lost in the rhetoric about growing world trade is the fact that, since the early 1980s, global firms have done much more business through their foreign-based affiliates than by exporting goods from their home countries. In order to grab a share of foreign markets, in other words, they more typically set up shop there, rather than ship goods to the intended market". David McNally, *Another World is Possible: Globalization and Anti-Capitalism*, Arbeiter Ring Publishing, Winnipeg, Canada 2001, P.38.

⁶ Main Samirm Unequal Development, Harvester Press, Brighton, 1977. See Adel Samara, *Epidemic of Globalization*, Chapter One, Palestine Research and Publishing Foundation, Glendale, U.S.A. 2001.

cheap goods in the colonial era imposed and protected by force was a step to be followed by export and unequal exchange in the imperialist era. All these links are components in a chain devoted to kill the industries of the COP. That is why the transformation of industries to periphery did not inevitably reduce unemployment there. The result might be the opposite⁷. To elaborate, the exchange between the two components of the world order in the eras of imperialism and globalization was structured on unequal exchange after political independence of the COP. This unequal economical exchange has blocked the development of peripheral countries. Furthermore, the transformation of some core industries to the periphery is designed to keep periphery industrialization under the control of the COCC – to create and perpetuate a dependent industrialization system. It keeps the capitalist elite of the periphery completely dependent on core capitalism. Moreover, it blocks the possibility of regional self-reliance among COP.

In its content, globalization works mainly at the level of financial capital rather than the industrial. Both of these capitals are merging and becoming interchangeable with one another to be monopolized and controlled by the banks. In other words, globalization can be more visible or palpable in the financial sphere rather than being restricted to the production site. Although in this era of globalization we are witnessing financial, more than productive, activities throughout the globe, it is important to acknowledge the new crises that have also been born⁸. This crisis has manifested itself through financial speculation in South East Asia, Russia, and Brazil in the 1990s. While speculation is a financial war among capitalists, its final impact on the ground, is actually on the daily life of the majority of the people in these countries. For instance, the 1997 crisis left 60 per cent of the Indonesian population under the poverty line. In other words, the effects of the economic crisis are not limited to the competition among financial speculators. The ultimate result is that tens of millions of people have sunk deeply below the poverty line.

The revolution in the forces of production bred mass production, over production and export of production sites (productive working capital) enabled the industrial and financial capital to move on an international scale and was ultimately supported by a crystallized superstructure as manifested in the ideologies of the *Global village*, *Liberalization of trade privatization, re-adjustment*, and *open door policies*. It is important to note that the free movement of financial capital on a world scale does not work independently from the class issue in the core and periphery. This dependency occurs because the ruling comprador classes in the periphery (COP) are the ones who are

⁷ Moreover, the commonly-accepted idea that industrial jobs lost in the advanced countries all move to the third world is untrue. In the same period China's rapidly expanding economy shed 15 million industrial jobs. And it's not true that service jobs lost in advanced countries are generally transferred to the third world. "The UK and U S jobs being lost to call centers in India, while important, pale in significance compared with jobs lost every day to voice recognition technology. Consider the US pg one company Spirit, which has been steadily replacing human operator with this technology. In the year 2002, Spirit's productivity jumped 15% and revenue increased by 4.3%, while the company reduced its payroll by 11,500". (Phil Harse in Socialist Resistance, April 2004 p.16) A rentier economy prevents the emergence of the 'Fordist' mass employment and mass consumption economy of the 'golden era'. Production is swiveled towards high-profit luxury consumption. Since neoliberalism substantially increases the proportion of wealth going to the ruling class, there will be no easy return to the Keynesian, welfare state, model of capitalism. (Phil Harse in Socialist Resistance, April 2004 p.16)

⁸ This never negates the fact that the world capitalist system still suffers a supply-side crisis.

applying this *open door, free market* policies, which are designed or over imposed by the ruling classes in the core (COCC). It should be noted that financial capital, especially its speculative activities, could not move geographically, as is the case now, if the world revolution was not defeated (i.e. the degradation and collapse of socialism in the former Soviet Union, the failure of the non-allied movement, and the defeat of labor in the core countries). This internationalization of capital is due mainly to the collapse of national borders by the ruling comprador classes in the COP. Furthermore, this financial capital in the era of globalization does not move blindly or discriminately. On the contrary, it is selective in choosing the most profitable areas to invade. It moves according to the *law of attack and withdrew*. Its fast movement differs from the limited globalization of the industrial capital, which steeped slowly to the COP. It is interesting that the financial capital is able to plunder and move easily, while the factories are not granted this same freedom of movement. Even the unprecedented facilities and privileges, which were provided by the COP, failed to attract more of the industrial working capital. **The situation of the world system now is that less globalization of production sites, in comparison to the 'full' globalization of the finance capital. But this is not a spontaneous development or due to obstacles imposed from the side of the COP regimes. As noted above, the superstructure is globalized through the COP openness and the finance capital relations of production since capital became more international in terms of money liquidity and share in transnational corporations.**

This raises the question of what is the principal contradiction on the world scale. The semi-industrialization state of the periphery raises concerns over the issue of dependent development. Will this dependent development eventually transform the semi-peripheries and/or peripheral countries into core countries as seen in Spain? Although it is debatable whether or not Spain is seen as a core capitalist country, it should be noted that as the EU and US 'Empire' expand, they will certainly expand the capitalist relations of production in some regions of the periphery, an expansion aimed at encouraging consumerism whose eternal aim is to encourage the COP's capacity of consuming. This expansion will dismantle national borders and exploit the popular classes of the periphery. As this occurs, any chance for national independence or development policies independent from the world market occurring is slim to none. For these countries, there are two alternatives: either to struggle for a socialist development or to accept the capitalist policy of integrating them into a larger capitalist block. If the capitalist domination ensues, then the entire world will be divided on class basis: the world wide capitalist class challenging the worldwide popular class. If other socialist countries collapse, such as the USSR, and a popular social revolution does not take place becoming the norm for a new world revolution, the hastening of the capitalist ultimate dream of economical prosperity through class domination is what we can expect. This is already seen when one looks at the current relationship between the bourgeois class of the COP and the core. Until this worldwide revolution occurs, the heaviest exploitation burden will fall on the shoulders of the popular classes in the countries of the periphery. These classes will be under local repression and international exploitation. The COP bourgeois will stay continuously lacking behind that of the core. This is unquestionable since the core will always want to maintain its intrinsic domination. The upper status of the core bourgeois will somewhat positively reflect on the core's proletariat whereas in comparison to the periphery's proletariat, they will remain subjected to deep exploitation.

The core's share of the world surplus will continue to be larger and even continue expanding than that of COP alongside with the margin of authority and sovereignty. This privileged status of the core proletariat will hinder their readiness for radicalization. This brings us to the question of where should the center of the world revolution lay? The most justifiable answer is that as long as the dissemination of class-consciousness is equal in both the core and the periphery, through the availability of education, the periphery should be the most likely place of the two for fostering and dissemination revolution. This should come as no surprise since it is in the periphery that brutal exploitation takes place. Ideally, it is also expected that the popular classes in the core will begin to realize that their false civil society hinders change and revolution and that neo-liberalism is using the popular classes as a force of conquer and occupation on a world scale. The ideology of civil society will therefore be examined on a world scale not just a national one. For instance, the new antiwar and globalization movement should develop to challenge the compromise which practiced by the civil society organizations towards capital, i.e. to insist that the role or mandate of civil society organizations is beyond the national state. This movement might develop to become a movement that practices revolution on a world scale. Since the 1970s, as the former Soviet Union started loosing its peripheries in the Third World, the core capitalist countries began replacing the Soviet Union even inside the Soviet bloc. By the 1990s, the entire Soviet bloc was dominated by capitalist classes with open markets for the core countries, competing to become members in the new capitalist block, the EU, and the aggressive NATO pact.

Will the former Soviet Union, i.e., Russia, become a capitalist core? This depends on its development and just how much of an interest it is to the capitalist core. What was unobvious until today is that the core countries, especially those of the EU, need the Russian and East European markets and cheap labor. Because this is the case, the relations of those countries with the EU will still be ruled by polarity.

The NATO invasion of several Balkan countries, NATO's role in several failed coup de tats against president Hugo Chavez of Venezuela, the stationed 5,000 US troops in Colombia, the hundreds of thousands troops in Arab oil fields, and the recent occupation of Afghanistan and Iraq are enough evidence that the phase of globalization witnesses the repetition of direct military capitalist occupation as was seen during the colonial era. The main difference here is that it is now under the leadership of the main imperialist 'empire', that of the United States. This US 'Empire' dominates the world by its military might not its economic might as seen in recent surveys. The US real economy lags behind the economies of EU and Japan since the 1990s⁹. For example, during the 1960s the U.S. GDP measured one and a half times the combined total for the EEC's 12 countries (it become 25 in 2004), including Japan. However, by the early 1990s, the ratio was only half as large. During the 1990's the US economy was deteriorating while its financial economy was booming.

By the end of 1990s, the US stock market lost more than 40% of its value affecting mainly the middle class. This class has been expanded in the United States during the boom times of the 20th century's imperialist era. Because this class benefited

⁹ See Adel Samara *Epidemic of Globalization*, 2001, Chapter One.

the most in the 20th century, it also should come as no surprise that it paid the heaviest price of the US economic crisis. Their crisis was so serious that it threatened the elimination of their class unless the United States' troops occupy the world oil fields, especially those of Iraq, to enable the ruling capitalist class to further plunder the wealth of these countries and transfer it to Washington to offset the loss caused by the economic crisis¹⁰.

Other Aspects of Globalization

1- Speculation and New Usury

The above-mentioned analysis of the process of globalization does not reflect all features of globalization. During the colonial era, the industrial capital subjugated the agricultural capital and contained the beginnings of capital export for investment in mines. This move was to gain resources and raw materials aside from the benefits of exporting commodities. In the imperialist era, the finance, led by banks, contained the industrial capital. Both capitals amalgamated and expand capital export. Therefore, commodities were not the only things being exported to the COP; factories now became the favored export.

Capitalism always suffers an overproduction crisis, or supply-side crisis. Under capitalism, an economic system based on maximum rate of profit and where the market is decisive, capital always flows into the fields that are the most profitable at the moment. This gives rise to the existence of an overproduction in these fields after a while. The goods produced and brought to the market find no buyers. They pile up. Bankruptcies etc. follow. A crisis arises. In the course of time, by way of capital flowing into new fields, new production techniques being introduced etc., one cyclical crisis is overcome. A new cycle begins. One of its main features is mass unemployment.

The cyclical crisis in the era of globalization was more complex. For instance, the crisis in Southeast Asia 1997 and the U.S. 2002 is a stockmarket and financial crisis, and primarily speculative capital lost value. It is in fact of the present-day world that in 1999 only 15% of the world-wide circulating capital was used for paying a commercial debt or invested for creating value. 85 % of the circulating capital was used for interest payments and speculation. (See Jan Ziegler, "Wie Ommt der Hunger in die Welt" Such an economy is always open to a "financial and stockmarket crisis". And with such an economic structure, even crisis are possible that are experienced as only financial and stockmarket crisis that do not get reflected in the real foundation of the economy, in industry and agriculture. This structure is always open to stockmarket crashes. The existence of such a great amount of capital in the field of speculation is a result of the overaccumulation of capital in the field of industry, agriculture and commerce. This overaccumulated capital sought fields yielding the biggest profit in the shortest time, and found this in the field of speculation, in the stockmarket. But the fact that the source of speculative capital also is the industrial, agricultural and commercial sectors does not at

¹⁰ This issue conditioned by the continuity of resistance in Iraq, Palestine and all Arab Homeland whose ruling comprador classes moved from indirect gave up to the capitalist core countries to a declared gave up after the occupation of Iraq.

all mean that a financial crisis, a stockmarket crisis, “independent’ of the productive sector is not possible. The financial/stockmarket crisis in Southeast Asia in 1997 led to a certain extent to stockmarket fluctuations, to loss of ‘value’ in speculative capital in other countries as well, but had no effect of any importance in the field of production, especially from the standpoint of imperialist monopolies.

In the colonial and imperialist eras, investment in agriculture and industry was spread over a long period of time because it was investment in a sustainable productive economy. Speculation activities on the other hand do not occur over a stretched time period because they move as fast as shares, bonds, currency exchange, and the purchase of assets on the Internet.

In the era of globalization, as noted above, financial capital began to manifest itself in money laundering, speculation, and short run investment to in such profound ways that some countries, such as Russia, became controlled by the mafia! The departure of financial capital from the development of real economy to the lending of money liquidity for non-production activities in the periphery is in fact a modern usury model.

2- Globalization and Media

The media monopoly is one of the main aspects of a high concentration of media power in the hands of capitalists who are also owners and partners in the political power of the state. This is the tightest amalgamation of power that has ever existed in history. Media, like the politics of the core capitalist countries, is not free from increasing dependency in the COP. Behaving in the same pattern as capital, (Media gains victories over the class and political consciousness of popular classes that do not have their own alternative media machine. What is the alternative for the popular classes in general and those of the COP in particular towards this media monopoly? There in no way, but to resist. Accordingly, the anti-capitalism and war movement can either boycott mainstream media or listen to its distorted message and resist through radical political parties, grassroots organizations...ets.

As capital’s partner, the media’s role is to preach free market ideology, liberalization of trade, neo-liberalism, and the ‘fantastic’ American way of life to name but a few. The media argues for a modernization approach to development, readjustment policies, and austerity in COP. This is the mental and psychological artillery of economic and political globalization. During the imperialist era, humanity was educated to believe that there are several trajectories for development; the capitalist or socialist or the so-called mixed strategies of development. However, in the current era of globalization, media propaganda is devoted to create an image that there is absolutely no alternative for human development other than capitalism. What has enabled the core capitalist media to create this image? One of the means that has helped maintain this image is that the information/communication revolution has been monopolized by the capitalist to assure a one sided representation for human development. The other thing that is instrumental in propelling this ideology is the use of the intellectual comprador in the COP as intellectual agents for the core capitalist culture, which markets this market ideology on to others.

3- The Intellectual Property Right

Intellectual property right is a new tool that the COCC uses to drain the surplus and maintain the blocked development of the COP. While knowledge is a historical human mutual interdependence, in the era of globalization most of it has become a monopoly of property right for the core countries. This right became a colonial investment producing a mental rent on a world scale.

It drains tens of billions of dollars out of developing nations through intellectual-property protectionism of the richest states – the costly, inefficient, and often murderous patent monopolies enjoyed by corporations based mainly in Europe and North America. The COP becomes unable to reproduce cheap medicine for the most killing diseases because of the intellectual property rights conditions. The fact behind that is that the corporations which produce the vaccine for these diseases are the medical companies' insistence to sell the vaccines for the highest prices. That is why the price of medicine is bearable for the rich not the poor people.

4- Global Exploitation but National Decision

Globalization activities and the movement of capital has yet not crystallized into a unified global consensus. Although capital moves geographically throughout the globe, its management is still based in the core countries, especially the United States. The sucked surplus from the world ends up in the core rendering the movement of surplus to be unidirectional: from the periphery to the center. It is true that some of the Foreign Direct Investment FDI has made its way to the COP, this little amount has in turn resulted in producing a mechanism that sucks surplus from the COP that should be left alone to be invested in the national economy. If people of the COP calculate the drained wealth from their economies and compare it to the FDI and/or the assistance of the COCC they will realize that what they lose is much more than what they receive.

5- Taxing People for Capital

As integration between state and the capitalist class increases, we will also begin to see an increase in the popular class subjugation by the state as a service for capital. In the global era, we have unfortunately witnessed the phenomenon of *state power donation*. The state has allowed some transnational corporations to move into its boundaries of power and control, while keeping at bay other corporations. The facilities, access and direct support of money liquidity to the companies came from the collected tax of other classes.

The core countries, especially, the United States found the 9-11 events as an excuse to support its many bankrupt companies, especially those in the airline sector.

In the case of the COP, the ruler's competition for providing 'generous' access and facilities to the FDI has to be seen as more than an economical openness but as a termination of national boundaries and sovereignty. This is a good environment for the FDI as a hot money to exploit and leave fast.

6- Protecting the Core and Opening the Door to the Periphery

The international financial institutions, World Bank, IMF and WTO, are the main vehicles of globalization and the cause of policies such as privatization and readjustment. Despite the fact that the WTO publicly states that it is devoted to the 'liberalization of trade', it proves time and time again that its inception and purpose is nothing more than to serve as a mere tool for the core countries.

In the WTO meeting in Cancun-Mexico (September 2003) the core countries insisted to maintain the protection subsidy measures for its agricultural products that are \$300 billion a year. While the WTO is preaching for the liberalization of trade, this subsidy is a real and effective protection violates the WTO's rules. The collapse of the meeting is a good indication that the rulers of the COP have found themselves unable to further compromise the interests of their countries. The insistence of the US and the EU to subsidize their products during the Cancun-Mexico meeting can be seen put in to practice with the US's colonialist ruler of Iraq, Bremer. According to the *New York Times*, Bremer has insisted that Iraq "pry open" most of its "industries for foreign investment." According to a memo from Bremer to the U.S appointed Iraqi Ruling Council, the *Times* reported that, Iraq "must create an open economy in a region long protective of its domestic markets" and dominated by "socialist economic dogma." The nation's "future prosperity" depends on "how successfully it [can] attract foreign investment." By overcoming its "socialist" and "protectionist" legacies, Bremer feels, Iraqis will "open a new lifeline for an economy starved of capital during Saddam Hussein's regime" therefore making Iraq "democratize" its economy. Bremer's proposal, the *Times* notes, will "permit foreign investors to take their profits out of the country, with no requirement of reinvesting their money there."¹¹

7- Nationalism in the Era of Counter Revolution

While the 19th century was named by the Europeans the 'century of nationalisms', this name was applicable only to Europe, because it was the century of colonizing the periphery whose century of nationalism arrived in the 20th century. Both waves of nationalisms were progressive at least in their beginning.

Because the first wave of nationalism was limited to Europe, this encourages a colonial attitude and culture against other parts of the world. Europe took the imperative of attempting to generalize the *age of nationalism* and ultimately history as if suggesting that European history represents world history. Other peoples of the globe will not be considered unless their development follows the European route, which was blocked by capitalist Europe and later by the US itself.

The main difference between the two waves of nationalism was that the nationalism in the center was an internal conflict between the local social classes and powers, the dying feudal powers and the emerging bourgeois forces or classes. While nationalist movements in periphery were mainly less developed or polarized in class terms since they were oriented against an external enemy, the imperialist powers. In the

¹¹ Richard A. Oppel, Jr., "U.S. Seeking Foreign Investment for Iraq," *New York Times*, August 26, 2003. A10

center however, the nationalist movement was motivated by the needs of industrial economic development which requires the unification of domestic markets, while the nationalist movement in the periphery was a social formations that was predominantly pre-capitalist, non-capitalist and integrated into the world capitalist market in a dependant fashion. After their political independence, those countries entered the era of economic independence, an area in which most of these countries failed.

A new wave of nationalism was born simultaneously with the era of globalization. It is the wave of comprador nationalism, a dependent nationalism that is being exploited by the core capitalist powers, especially the United States. The regimes of this wave of nationalisms are reactionary and separatist particularly those in the Balkan region and the former Soviet Union. Imperialist ruling classes in the center support these ‘nationalist’ movements and their intentions were either to weaken the former socialist block or to fragment the periphery. Whether the goal of the core countries is to weaken Russia and dismantle Yugoslavia or to prepare them for future integration into the EU or NATO makes no big change in the content of their goal of dismantle Russia and Yugoslavia. It should be noted that these new nations who are allies of the US Empire are different from those nations in the Third World who are or have achieved liberation. These new nation states, i.e. in the Balkans, are in fact without sovereignty. They are dependent states, their markets are open for US products, and their politics are determined in the White House. In other words, they are client states, peripheries of the US capitalist ‘empire’.

8- The Right Wingers Jumps to Power

These are not the only features of this era of globalization. There are the new policies applied in both the center and periphery. The United States under Reagan and the UK under Thatcher moved towards the policies of neo-liberalism that included privatization, deregulation, terminating the achievements of the luxury state, minimizing workers rights, advising women to be ‘good mothers’ by staying home to raise their children...etc. The same neo-liberal policies were applied to the COP, but in a more pungent manner. Nearly one hundred percent of the countries that applied the re-structuring prescriptions known as the Structural Adjustment Programs (SAP) of the IMF and World Bank fell into debt traps that increased their poverty.

In the era of globalization, especially after the end of the post-war boom (1950-1973), the extreme rightwing faction of the capitalist class arrived to power in most of the core countries, specifically in the United States and Britain. The social democrats and labor parties, which always called leftist parties, who took over power in major European countries, adopt the same neo-liberal policies which the far right wing regimes of the United States and Britain have adopted. Such policies include privatization, deregulation, and minimizing the state’s role in social security, health, and education. This proves that when capitalism falls into crisis, the difference between its right and left wings easily vanishes.¹²

If one is to analyze the economic crisis and social deterioration of the core countries in the 1970s, one could see some parallels developments that are or have taken place in the

¹² The alliance of the British Labor Party with the right wing US Republican Party in the invasion of Iraq is a striking example.

countries of the periphery. The failure of economic development strategies of many bourgeois nationalist post-colonial regimes encouraged them to move towards a comprador role. These ruling classes made a u-turn to become comprador capitalist regimes. This made it obvious that the comprador capitalist class is the proper capitalist class of many countries of periphery in the era of globalization as long as it abandoned development, especially industrialization policies, protectionism, national sovereignty...etc.

This change in itself shows how destructive the role of this comprador regime in the world's deterioration towards globalization. Free movement of capital, goods, and services was witnessed on a world scale to the extent that the world economy fell into a supply-side crisis by the mid-1990s. Labor mobilization was subjected to severe restrictions that manifested itself through a racist agenda in the era of globalization. The labor force will maintain its position as always the wealth of periphery, whereas the goods, capital, and services mainly belong to the core. This was not the case at the beginning of the imperialist era (1870s-80s) and on began to be the case when the capitalist center, as a result of the large number of victims during the two imperialist World Wars, began importing cheap labor from the periphery to re-build its demolished infrastructure.¹³ Launching war, demolishing, re-building as the case of Iraq, and circulating capital are the prime movers of the capitalist system.

9- The Defeat of the Socialist Countries

We have witnessed in the early stages of globalization, the collapse of the Soviet Union and most of the other socialist countries. We still have a few remaining socialist countries that are diligently resisting integration into a world capitalist order. As noted earlier, what accelerated the collapse of the Soviet Union was the loss of its external periphery: the third nationalist waves in the COP that defeated the colonial powers and attempted to build independent economies such as Egypt, Syria, Iraq, Indonesia, and Ghana. As soon as the Soviet Union lost its closest periphery, Eastern Europe, it had no alternative but to collapse. Despite its deterioration into bureaucracy, the Soviet block served as a buffer zone between the aggressive capitalist-imperialism and the new independent COP trying to prevent its re-colonization. Accordingly, the collapse of the Soviet Union opened the road for the COCC to re-colonize countries of the periphery. The rise of this new capitalist polarity, which is depicted by the EU policy of not promising development or security to the COP, has left the future of the world extremely dependent on the victory of socialism.

10- One 'Empire' Subjugates Several Imperialists

The collapse of the Soviet Union affected not only countries of the periphery but it also implicated that the old form of imperialism had to face new challenges.

¹³ This era wasn't a free movement of labor from periphery to center. It was a controlled movement according to the core's needs for a black labor to re-build its infrastructure that if destroyed during the wars. Accordingly, labor never had the chance to move freely compared to that of capital, goods and services.

Another characteristic of globalization is the decline of imperialist pluralism: the competitive battle between imperialists over control of the periphery. That competition has been relatively eliminated as the re-colonization monopolized for one super-power, the United States. Accordingly, there is no more equal re-division of the world to competing imperialist powers. There is one superpower, one 'empire', that of the United States that is able to distribute the shares of the sucked surplus among other second-class powers.¹⁴ Sometime the share of second-class imperialism might not be equal to the cost of its role in an aggression as was the case in the 1991 aggression against Iraq. This is one of the main reasons why the same imperialist, i.e. France and Germany, which joined the 1991-aggression against Iraq, opposed the repetition of that aggression in 2003.

The classic internal imperialist rivalries that led to wars are now replaced by a single, brutal war against Third World countries. This war against the Third World is under the leadership of the new empire, which has dragged other old imperialists and left them no choice, but to contribute, join, and finance the war. The wars against Iraq (1991) and Yugoslavia (1999) are good examples. The Cold War between the two super powers had been replaced by 'hot' wars against several COP.

Accordingly, we might divide the world into three groups:

- One independent state which is the United States of America.
- Semi independent states which are the EU and Japan;
- And the rest of the world is mere colonies.

Even justification of war in the globalization phase is relatively different than colonialism and imperialism. In the colonial era, wars were fought for economic interests without having an eloquent propaganda of cultural, religious, and racist justification and cover as was the case of the two world imperialist wars. The Cold War has been covered with an ideological name. Wars in the phase of globalization are justified in a reactionary manner. It is referred to by several Western leaders, such as the US president and the Italian Prime Minister, as a Crusade War and is highly supported by Christian-Zionist fundamentalists.

The invasion and re-colonization of Iraq show that wars in the era of globalization are characterized and mainly initiated by white settler colonial capitalist ruling classes more than the classical colonial countries as was seen in the 1991 and 2003 invasions where the United States, Britain, Australia and Israel were the main cohorts of those aggressions. This might be attributed to the aggressive and racist culture of these capitalist social formations.

The US is the only country that was able to remove itself from being obligated to sign the 1972 Antiballistic Missile Treaty, Kyoto Protocol, and the Global Warming Treaty. It has forced the International Criminal Court and the United Nations Security Council to grant it temporary immunity from UN jurisdiction in punishing war crimes. It has also refused to honor the Geneva Convention on the treatment of POWs and rejected

¹⁴ According to a high level strategy paper prepared for top officials of the Bush (senior) Administration envisioned a world in which the U.S. would be able to dominate its European and Japanese allies, isolate its adversaries and sustain its client regimes. The U.S. would be the undisputed world power capable of securing absolute control over strategic resources and a privileged place in the world market. "Defense Planning Guidance for the Fiscal Years 1994-99", *New York Times*, March 8, 1992, p. 14.

verification measures for the Biological Weapons Convention. What this creates in essence is a world with an open stage for the new global empire to act as it wishes.

11- A New Sector: Global Capitalist Public Sector GCPS

Following neo-liberal policies such as privatization and the elimination of the luxury state or the ‘public sector’, a new sector has been created in the core countries, especially in the United State. This new sector is the globalized capitalist ‘public’ sector¹⁵ (GCPS) It is a monopoly on a world scale matured during globalization. The tools for this sector are: the state as the political/power that acts on behalf of the ruling capitalist class, the multinational corporations as the economic tool, the Foreign Direct Investment (FDI) as the financial tool, and finally, if all of these tools fail to permit this sector to work freely and facilely in the periphery, or if the economic crisis becomes uncontrollable in the core, as is the case in the United states today, the state will launch a direct military aggression against the naturally endowed COP, like Iraq.

The United States overseas investments are estimated at over \$5 trillion, in addition to its control over the WB, IMF and WTO. This development goes in parallel with the compradorization policies in the COP such as the ‘Open Door’ policies, which facilitate the role and maturity of the GCPS of the core over that of the COP. It is right that the globalized capitalist public sector is owned by the private sector in the core countries, and is protected by the state therefore becoming more and more a tool for the ruling capitalist class. It should be noted that the surplus generated by this sector from the COP contributes in containing the social unrest in the core countries. The COP’s sucked surplus by this sector enables the ruling class in the core countries to create jobs in their domestic economic sectors and finally to minimize the social tension and obstruct the radical social transformation in those countries. As mentioned above, if this sector falls short of satisfying the needs to offset the crisis in the core, as is the case in the United States, the ruling class, under the name of the state, will launch a war against a rich country, such as Iraq, to control its land and assets, including oil, to integrate it to the United States’ GCPS. To protect this sector properly, the US ruling class increases its military presence throughout the world. The US has girdled the globe with more than 700 military bases and installations – stationing over half-million troops overseas. The surplus drained by this sector, the GCPS, is spent and invested according to the needs of the core countries. Part of this wealth is used to offset its financial deficit and another part of it is to pay, in the form of salaries, its troops that are scattered throughout the globe.¹⁶ This is why we can rest assures that the US troops sent to the Arab Gulf will be stationed there for a long period of time. If capital is scarce, the salaries of the soldiers will still be paid. How? The puppet regimes in the Arab Homeland will pay most of their costs. However they will never disclose this to their public for the obvious response that it will provoke.

“ In the meantime, the U.S, Treasury must borrow \$1.5 billion per day to cover this deficit, and is currently taking 40% of world savings. This minimum estimate of \$2 trillion of foreign indebtedness (\$10 trillion held by foreigners offset by \$8 trillion of U.S assets abroad) means that total U.S foreign debt is already 20% of GDP, a level typical of

¹⁵ See Adel Samara, *Epidemic of Globalization*, Chapter One, 2001.

¹⁶ See Adel Samara *Epidemic of Globalization*, Chapter One, 2001.

a Third World country. Already one percent of U.S. GDP is going to pay off the interest on foreign-held debt¹⁷”

“The United States gained important advantage through the Asian crisis of 1997-98 forcing open South Korea and other countries for ‘reform’. (Current Studies estimate that 3.3 million U.S service jobs will migrate to India by 2015 making that country, along with China, a further source for loot)¹⁸” These two examples are an applied examples of how the GCPS working.

In an era were a global capitalist ‘empire’ dominates the world, war continues, as a goal by itself, to be a close component of an economic project. War, for the ruling capitalist class of the United States, is an economic project. In this era, the state becomes more than just a representative of the capitalist class, it become a tool for this class. It is not only an interventionist state, but also a state that impoverishes the working and middle classes for the sake of maintaining a high rate of profit.

While there is an indirect competition between the US Empire and the old imperialist countries, it is still clear that these countries are unable to create their own joint super power to challenge the U.S ‘Empire’, which is a dream of many people in the world, including some revolutionaries. There is no doubt that the US is dominating the world by its military might, not by its economic supremacy. This might delay the possibility of a multi-polar world where another superpower emergence to limit the role that the US Empire plays in the world. However, revolutionaries in particular and oppressed nations in general, should not dream of a just world if a new super power emerges, especially if this new superpower(s) are capitalist. This will recreate a world of multi-capitalist imperialist countries that was seen before the 1917 victory of the Bolshevik Revolution.

The principal contradiction is that now the working class of the nation state is not limited to the nation itself, into its own citizens, but extended to include the world, therefore creating a global working class that leads to a global production process. But as the ownership, known as *relations of production*, becomes more and more globalized, the decision-making and management inevitably still remain monopolized by the capitalists of the core countries.

Globalization is a phase that can propel itself only when the world revolution is defeated. The issue here however, is not whether or not to solemnly submit to a defeat that the capitalist ‘empire’ is trying to publicize, but rather to ask ourselves what are the mechanisms of resistance? Is there a power that is able to challenge the internationalism of capital, either on its economic scale or military might, and push forward the only alternative that will create a just world: labor, popular classes, and internationalism? It is only the People’s War that is able to challenge capital and its army. This People’s War should be comprised of the anti-globalization movement, civil disobedience, guerilla war, city war, antiwar movement as well as the Development by Popular Protection development strategy. This People’s War might succeed at the national level as long as the nation-state is still there. The existence of all these popular movements is important in telling us that the majority of humanity is against capitalism. The internal social

¹⁷ What’s Behind the Recovery by Loren Goldner, in *Against the Current*, January- February 2004, p.12.

¹⁸ *ibid*, p.13.

normalization between labor and capital must be replaced by the culture, education, ideology, and practice of the class struggle. This is the larger goal of the People's War.

It is in the era of globalization that we witness people around the world flood into the streets protesting against colonial war and globalization. Peoples began protesting the Iraq invasion even prior to its actual occurrence. This is a strong indication that humanity is protesting against capital and it is highly motivated to restore its true face.

Is There an Ultra-Globalization?

Social Democrats found in Kautsky's theory of ultra-imperialism ammunition to argue against the 1917 socialist revolution in Russia. Kautsky's theory of ultra-imperialism argues that imperialism might reach an era of internal peace! It is still debatable whether the relatively peaceful relationships among various imperialist following the second imperialist war (1950-1970) confirmed Kautsky's theory of ultra-imperialism or whether it was due to the role of the socialist block in that time period which acted as a roadblock to re-colonization. By other words, the existence of the socialist camp indirectly imposed a truce between the imperialisms. What is clear however, regardless of what side you take is that the disintegration of the Soviet Union has been followed by a series of aggressions against COP, a fact that supports the belief that the existence of the Soviet Union was the main reason preventing imperialist aggression. These new aggressions, against Iraq, Yugoslavia and Afghanistan gained a consensus from all, and participation from most, imperialist regimes in the center of the world capitalist order. This development is telling that there is a new large war in the world capitalist order from the core against the COP.

Rudolf Hilferding argues, "The demand for an expansionary policy revolutionizes the whole world view of the bourgeoisie, which ceases to be peace-loving and humanitarian. The old free traders believed in free trade not only as the best economic policy but also as the beginning of an era of peace. Finance capital abandoned this belief long ago. It has no faith in the harmony of capitalist interests, and knows well that competition is becoming increasingly a political power struggle. The ideal peace has lost its luster, and in place of the idea of humanity there emerges the glorification of the greatness of and power of the state... The ideal now is to secure for one's own nation the domination of the world, an aspiration which is as subjugation of foreign nations takes place by force- that is, in a perfectly natural way- it appears to the ruling nation that this domination is due to some special natural qualities, in short to its racial characteristics. Thus there emerges a racist ideology, cloaked in the grab of natural science, a justification for finance capital's lust for power, which is thus shown to have the specificity and necessity of a natural phenomenon. Oligarchic idea domination has replaced the democratic ideal of equality".¹⁹

¹⁹ Hilferding (1910) p.335, quoted in *The Global Political Economy of Israel*, Jonathan Nitzan & Shimshon Bichler, Pluto Press, London, 2002, p. 205)

According to Hilferding, during the monopoly stage, the leading elements among capitalist factions were fused into finance capital, an amalgamate of industry and finance controlled by big banks. He added that it must be protected by tariffs against foreign competition on one hand, while continuing its quest for territory and protection which capital needs to maintain a strong state, on the other.

Karl Kautsky rejected Hilferding's theory and argued that the conflict between industrial and financial capital was not decisively won by finance capital. In fact, there was a scope for labor opposition in both the developed and periphery countries, to strengthen the hands of its industrial fraction. Such opposition, if successful, could redirect capitalism toward a more benign alternative, which Kautsky called 'ultra-imperialism' (1970, originally published in 1914) " ... it is not impossible that capitalism may still live through another phase, the translation of cartelisation into foreign policy: a phase of *ultra-imperialism*, which, of course, we must struggle against as energetically as we do against imperialism, but whose perils lie in another direction, not in that of the arms race and threat to world peace ".²⁰

Ernest Mandel rejected Kautsky's theory, in his *Late Capitalism*. Mandel drew three scenarios for the development of capitalism²¹ which are, ultra-imperialism, super-imperialism and the pursuit of inter-imperialist competition. Mandel 's scenario of super-imperialism is that a single, but strong imperialist power practice hegemony to the extent that other imperialisms lose their real autonomy in relation to it and finally reduced to the status of minor semi-colonial powers. Finally, Mandel believe in the continuous contradiction between Europe and the U.S.

Michael Hardt and Antonio Negri more close to Kautsky's theory. " In the current imperial phase, there is no longer imperialism – or, when it survives, it is a phenomenon of transition towards a circulation of values and powers at the scale of Empire. In the same way, there is no longer a nation-state; the three substantial characteristics of sovereignty –military, political, cultural – are absorbed or replaced by the eternal powers of Empire. The subordination of the former colonial countries to the imperialist nation-states, like the imperialist hierarchy of the continents and the nations disappear or where, all are being reorganized as a function of the new unity horizon of Empire"²²

What is obvious at present is that capital is defeating labor on a world scale. The working class is not in the position to support the industrial over the financial capital. Furthermore, the two capitals are controlled by banks the same capitalist class that labor is struggling against. Even if the working class is able to support industrial capital, this does not mean that any substantial improvement in the working class position would be realized such as job stability and full employment. The already known features of capitalism, is that it is oriented towards open war. It is right that this war is still directed against COP, but we must remember that colonial wars started by capitalist Europe first

²⁰ Cited in *The Global Political Economy of Israel*, Jonathan Nitzan & Shimshon Bichler, Pluto Press, London, 2002, p. 205. (Kautsky ,1970, originally published in 1914).

²¹ Ernest Mandel, "*Late Capitalism*", Verso, Ondon, 1999

²² Toni Negri, ""*Empire, stade super'eme de l'imperialisme*", E Monde Diplomatique", Jnuary 2001.

to occupy colonies in the COP and ended to wars inside Europe, because of European competition to divide and re divide colonies between themselves. If capitalist conflicts are mainly contrived and pursued for the highest rate of profit, these conflicts should not only take the form of direct military war. And indeed this is the case. We not only witness military war against some COP, but economic wars between the imperialists themselves as well. The economic competition between the US and EU is an example of this economic war albeit it is on a low profile.

The relative peace among the imperialist capitalist regimes in the center supports Kautsky's analysis in terms of ultra-imperialism, but not in terms of the worker's strengthening of industrial capital, which is subjected to the banking capital. Of the reasons that created the relative peace are the prosperity that followed the World War II, COP liberation movements, and the rise of the socialist camp which, at least hampered the capitalist lust for re-colonization. Despite the fact that this relative peace continued for nearly six decades, it was never conflict-free. It is true that imperialist countries did not engage so far in direct military war, but economic wars were defiantly implored. The collapse of the Soviet Union and the victory of these comprador regimes in the periphery made re-colonization possible again. The first to exploit that opportunity was the US capitalist regime. Other imperialist countries would have liked to oppose it, be it militarily or economically, but in actuality, this was not possible for the time being. That is why the EU is leading a financial war against the United States; it is the battle of the Euro against the Dollar²³.

It is certain that in the past, imperialist have always tried to solve their economic problems at the expense of the COP by the direct occupation of their land blundering their wealth and mines, monopolizing their markets, blocking their development...etc. They have never tried to do this jointly, but instead, opted for the competitive path. That is why the colonial era witnessed many wars between the European colonial armies in the colonies. The Boer war in South Africa is a striking example.

As noted above the rise of the USSR, especially after World War II blocked the direct re-colonization of the COP. This rise represents some form of a 'truce' in the world order, but because of the continuity of the unequal exchange relationship between core and peripheral countries, the COP remained a source of transferred surplus to the COCC. The collapse of the USSR made the re-colonization possible. This creates, in addition to the economic crisis in the core countries, an encouraging motive for the core countries for re-colonization which means a collapse of the 'truce'. But still there is another source of 'truce' between the imperialist countries, which is the failure of Europe to compete the United States in the military level, in addition to the new developments that are taking place. First, the division of the WTO members into those of center and periphery has been made possible only under the condition that the COP further cooperates. Second,

²³ For the threat of Euro against the dollar hegemony, see *Proletarian era*, March 1, 1999, vol. 32, no. 13, published by the United Socialist Center of India. See also Euro vs Dollar, by Kollengoden, in *Janashakti*, Organ of CC of CPI (ML) Vol- 11, no.2 April-May-June 2003. p.p. 8-13. One of the main reasons for the U.S and its allies' occupation of Iraq is the Iraqi decision to price its oil by Euro in place of Dollar, see Adel Samara, The National Project, Euro and the Occupation of Iraq, in *Kana'an*, no 115 October, 2003, p.p 15-26. Both Kollengoden and myself have benefited from the analysis of Australian economist Geoffrey Heard on the issue of the Euro against the Dollar. Kollengoden mentioned this analysis without reference.

we are witnessing a world unified popular protest against war and globalization. The case of Iraq is a clear example.

Competition between the capitalist imperialist ruling classes will never ends. It is not necessary to have this competition manifested and resolved through military confrontation. It is the finance capital that dominates the world now, and as such, we should expect to see more financial confrontation.

Finally, the record of capital, in fact, argues against the peaceful theory of Kautsky. As it is noted above, the last decade of the 20th century witnessed several wars against peripheral countries, and the beginning of the 21st century started with the occupation of Iraq and threats to expand into countries such as Iran and North Korea. These wars are against COP and most of the imperialist countries either participate or agree for these aggressions. This form of wars explain to us that the core countries are trying to manage their internal crisis, as it did during the eras of colonialism and imperialism, at the cost of the COP. This war is different from the old colonial wars as long as it takes place relatively jointly, not competitively, by imperialist countries. But no body could judge that it will not turned to an internal core capitalist war as it is the case during World War I and II. This reassures those of us who suspected that globalization would result in a globalization of wars: complete chaos. This is a big challenge for humanity. Our response to it should be the People's War against capital.

Chapter Two

Development's Debate:

Modernization and Development Schools

Debate on theories of development, and applied strategies for an alternative to the capitalist route of modernization, has started, to a certain extent, since Marx's writings in the 19th century. In the 20th century this was a hot topic to the point where it was even polemic. Despite this long period of debate, no real development in the European former colonies (later dubbed the Third World by the West) took place, and the gap between core and periphery became wider with each passing year. Furthermore, inside each Western country, the gap between the rich minority and the poor majority is still expanding. This is one of the reasons for the popular protests of Seattle, Prague, Sidney, Davis and Quebec and later in Genoa: it is the people, not a single class, which are protesting.

The deterioration of life conditions of the majority of the world population in the periphery confirms again the legitimacy of development despite its failure during the last two to three decades. The deduced lesson is that what we need now is a new form of development that challenges the modernization approach suggested by capitalist classes of the West.

Modernization approach is always attributed to the bourgeois state, especially the contemporary dominate World Order. In parallel with the debate on modernization and development following World War II, the U.S. emerged as the new uncontested imperial power. Because the U.S. is a capitalist social formation, the ruling establishment accordingly became in a position to lead the issue of modernization and development. In the years of 50s, 60s and 70s, of the last century we witnessed the rise and victory of

national liberation movements throughout the world. In addition to the socialist block, the national liberation movement built a barrier that slowing the core countries' lust for re-colonization.

The fall of the former socialist block in the beginning of 1990s re-ignited the core countries, especially the U.S.'s, desire to control world modernization under the banner of globalization. Unfortunately, a large army of politicians, intellectuals, capitalists and academic comprador in the COP backed this desire. Therefore, we must be weary of any U.S. led campaigns in 'development'²⁴ and modernization in the so-called Third World. Failure to do so will result in a catastrophe in the Third World. The core state and its client states have imposed the most deformed form of modernization in the COP. Sadly enough, this notion of modernization and development has been welcomed by the capitalist bourgeoisie class in the periphery. The same modernization that was popularly rejected in the COP, during the national liberation era, suddenly became highly welcomed by the ruling comprador capitalist elites of the Periphery. The ruling comprador capitalist elites in the COP fell into a fierce competition of who will attract the most FDI²⁵.

I. The Liberal Classic School

Historical Background

This school started in opposition to the state's role that adopted the protectionist school philosophy, which argued that the increase in wealth of a nation to its maximum, needs strict government control over investment, international trade and other economic activities. The liberal school maintains that the wealth that is monopolized by the courts and colonizers must be redistributed through free and competitive projects towards the

²⁴ That is why the United States and other core capitalist countries created NGOs. See Adel Samara, *Epidemic of Globalization*, Chapter 7, Palestine Research and Publishing Foundation, Glendale, U.S.A. 2001.

²⁵ Nurkse was one of those who early justify special facilities for the Foreign Direct Investment FDI of today: "where foreign investment has been associated with exclusive concessions in the debtor countries, there may have been some economic basis for it...In order to reap an appropriate return from investment, [the private investor] may need an exclusive concession. This is not the whole story, but it does furnish a plausible argument in defense of the monopoly element in past foreign investment" (Ranger Nurkse, *Problems of Capital Formation in Underdeveloped Countries*, (New York; Oxford University Press, 1957, p 11, 61-17).

new class of merchants and entrepreneur, who are managing their own businesses. This is the content of Adam Smith's theory on (Wealth of Nations 1776) that anticipated the dangers of developing monopolies and that insisted on a strict governmental 'state' organization to control monopolies. Two centuries later, John Keynes, the influential bourgeois economist, followed Smith's teachings that state must have a role in economic life on the one hand, but to did not interfere too much on the other. As one can see, it is not only Keynes, but Smith as well who favor state intervention in the economy. But as we will argue later in this book, the state's intervention will not always result in the state becoming the vehicle for real and popular development.

Adam Smith and David Ricardo are the main founders of the classic political economy. Their theories have had incredible influence on world trade via capital accumulation. Neo-liberalism is preaching since 1970s a return back to Smith and Ricardo's ideologies of free trade that is cleverly camouflaged to the world as the liberalization of international trade. However, this liberalization of international trade seems to only be directed towards the periphery, as core countries are more protective today of their national markets than ever before. The goal is to open, as much as possible, the markets of the COP, while keeping those of the center closed. As the core monopolizes nearly the entire industrial sector of the world, it nowadays is expanding its focus and insisting on monopolizing the agricultural sector as well. In the WTO conference in Cancun-Mexico on Sep 14th 2003, the U.S and EU insisted on maintaining a \$300 billion subsidy for their agricultural exports. Despite the comprador relationship that exists between the leaders of the COP and those of the center, leaders of the COP nevertheless protested this policy arguing that this will kick hundreds of millions of COP peasants out of the productive process. If implemented, this policy will be more destructive than even blocking the development of the periphery.

Smith argued that international trade helps to transcend the limitation of the domestic market through enabling the country to sell its surplus production outside and to enlarge the frame of division of labor as a factor of increasing productivity. He believed that the historical feudal problem lies in the fact that the aristocracy and the non-productive workers suck produced surplus, a behavior that hinder the production process

and capital accumulation. He argued that the increase of productivity stems from the division of labor that took place through the expansion of the market and international trade. He supports colonialism and views colonies as “lazy” nations who failed to prove themselves in the world arena. He wrote that we must differentiate carefully between the effects of trade with a colony and the monopoly of this trade. The first case is always and rightfully so, beneficial, while the other is obligatory harmful. He considers that as long as trade is free, the colony will never face any developmental problems. This is the precise reason for why Smith never questioned the British rule in India and why he never attributes the underdevelopment of colonies to colonial rule and policy. He attributes this underdevelopment to internal causes in the country itself. For him, these countries prioritized agriculture and internal trade rather than industry and external trade, therefore hindering their own development. However, going back to the WTO, the US and the EU are going further than Smith’s old racist ideology and attempting to terminate the COP agricultural sector all together!

It is clear that Smith is seen as the ‘organic’ intellectual of the bourgeois class. For him, the state is a machine or social apparatus to help and serve the capitalists. He failed to acknowledge that the ruling class will seize power to develop their own interests. When this happens, the state can never be looked at as neutral. In fact, the opposite is true. The state in this situation will push for a coalition with other economically beneficial classes and for social factions to combat others. This disturbing dynamics is essentially how the capitalist state operates. With respect to the periphery, Smith’s ideas are seen as the Free Trade’s Bible of Colonialism by a majority of the bourgeois class.

For Ricardo, international trade is crucial to transcend the limitation of domestic agricultural production. It is a factor that contributes in decreasing the value of labor and which results in increasing profits. As for accumulation, it is for the responsibility of each country to specialize in trading a certain products that it is itself able to produce by comparative advantage. Ricardo hypothesized that if each country did the same, this might lead to international integration. Ricardo theories however, fail to tell us if each nation in the world have the freedom to control production and trade. He failed to grasp

the deeply rooted polarity in the world capitalist system. When one researches this topic briefly, it becomes quite clear that the majority of the world does not have the freedom that Ricardo assumes to control their production and exports. In reality, if one is to look at the colonizer/colonized relationship, we would be able to see that the colonies have never been given the freedom to specialize in certain products. In actuality, the opposite is true and numerous examples in India and Egypt prove this. The freedom that Ricardo speaks of is actually the comparative advantage for and between western European capitalist countries, whose level of development is relatively similar.

We have to note that these writers develop their theories in an era where tensions were not that fierce between capital and labor in Europe at their own life because of the laboring classes' poor class consciousness. They never foresaw the possibility that in certain periods of time, capitalism might hinder the production process by eliminating competitors who fail to apply new technologies in order to compete in the market. For this reason, Ricardo argues that the crisis in capitalism took place accidentally. He argues strongly, through example, against protectionism by stating that the tariff imposed on wheat imports did hinder the free import of wheat. According to him, the struggle against protection is essential for maintaining not only the profits of capitalism, but also for accelerating its accumulation. To facilitate the accumulation of capital and to make it easy for capitalists to acquire, Ricardo argues for cheapening the price of food. The logic behind this is that cheaper food means little wages is required for workers to eat and more money for industrialists to accumulate. If a particular state were to apply Ricardo's theories into practice, it would not be offering development for its people, but rather servicing a minute class. It creates a stand-by system servicing the capitalist class.

It is important to note that Ricardo's aim was to support the industrial capital. He was keen on seeing labor wages as less as possible. He was also a racist. He thought that if the Irish workers got higher wages they would work lesser days because higher wages will satisfy their needs in shorter time. For him, they have no ambitions. He generalizes all underdeveloped nations. Here lies a cultural base that justifies colonialism. It is a base that is lately adopted by many liberal writers in the West.

One can easily see that Smith and Ricardo were amongst the earliest justifiers of the exploitative center/periphery relationship, which bred polarity as an incentive for

maintaining the periphery's backwardness. In other words, underdevelopment in the periphery is an application of their thesis. They dreamt that colonizers would develop the colonies. That is why they defended free trade and supported the industrialist battle against the working class. All of these assumptions laid the base for capitalist polarity, unequal exchange and unequal development, which has unfortunately led to the impossibility of overcoming these obstacles. These are the issues that development schools are trying to solve. The circumstances in which the core countries developed will never be repeated in the same manner, at least in terms of the absence of a center that would be able to block its development, as seen in nowadays. The capitalist center continues to play the role of blocking development of the periphery.

As previously stated, the ideas of Smith and Ricardo were and are still the basis of capitalist modernization theories, including those theories pertaining to the role of state. I think that the push to liberalize trade in the name of globalization is no more than a well-elaborated version of Smith's theory that has been adapted and fine-tuned to suit our time. Both support an open world market, the division in trade and labor and the maintenance and supremacy of core capitalist countries that are able to dictate development. In spite of the fact that both theories attribute a tiny role for the state, the essence of their ideas illustrate that the state's role is designated according to the needs of capital.

II. The Strategy of Withdrawal from the World System

While it has never adopted this name directly, this strategy has been applied in the Soviet Union after the October revolution 1917. It was the imperialist invasion of the Soviet Union, imposing economic siege over the Soviet Union and the failure of the working class and the socialist parties, mainly in Germany, to follow the October revolution and carry out a socialist revolution in their own countries that pushed the Soviet leadership to adopt this strategy. In fact, Lenin was the first to expand, emphasis, and bring forth the struggle against capitalism and imperialism from the abstract development plane to the political plane. Of the early Marxists, Luxemburg was the only author who theorized on imperialism. Thus, Lenin and Luxemburg can be considered as

pioneers of the "militant current" attitude in Marxist theories on Imperialism. This current is characterized by articulating both theory and practice, and this might be attributed to their careers as political activists, party members and political philosophers (Lenin, 1960) (Luxemburg, 1951). For them, especially Lenin, the party, not state apparatus, is the essential for development. This might be related to Marxism's attitude towards the state where it views that the aim of socialism is to terminate the bourgeois state, not to substitute it.

Moreover, Lenin was the first to realize the importance of the third world in the revolution against imperialism. He argued for a close alliance between the Soviet Union and all nationalist and national liberation movements. "... All the national liberation movements in the colonies and among them the oppressed nationalities ...are learning from their bitter experience that their only salvation lies in victory over world imperialism" (Lenin, CW, 1966:146).

This alliance deserves more discussion in its relation with two points:

- a: Its relationship with Marx's expectations that the socialist revolution will take place in the developed center of capitalism, which until today is still not the case.
- b: According to developments of the last century that led to the collapse of the Soviet Union and the relative triumph of capitalism.

This brings again to the forefront, the discussion and debate on the validity of socialism? I think that the current wilderness and brutality of capitalism supports Marx's analysis that a socialist revolution, one separated from bureaucracy is the solution. In this are special hints as to why the recent reformist movement in the leftist camp that compromises ideas is losing their ground.

While Hobson (1895), like the Marxists, noted that imperialism has conquered the colonies by force, and that the imperialists are able to maintain peaceful relationship between themselves in their colonization of other countries. It was the Marxists alone who argued that socialist revolution are the only way to get rid of capitalism and imperialism²⁶ and that the imperialists cannot, but compete, and fight each other.

²⁶ Following the dis-integration of the Soviet Union, the aggression against Iraq, Serbia, and Afghanistan confirm that, there is no route for emancipation other than resistance. This might be the reason why imperialism is very keen to bribe the intellectuals and to re-educate the masses by the free market ideology

Through the October revolution, the Soviet Union achieved withdrawal from the world economic order as follows: On the eve of the October revolution, Russia was not a developed country, despite the fact that capitalism had emerged there. In fact, Lenin devoted his famous book, *The Development of Capitalism in Russia*, 1964, to the task of proving that capitalism was already implanted in Russia, and, as a superior mode of production, it bore within it the class of the future, the working class. Where the Bolshevik regime made the decision to nationalize all large economic enterprises in the Soviet Union, their aim was to accelerate heavy industrial development. The only possible way for that was to generate enough agricultural surpluses to meet the heavy industrial needs. Without supporting industry from agricultural surplus, it would be impossible to achieve extensive accumulation. The Bolsheviks might delay nationalization or proceed towards it gradually, if the center does not, imposing siege over the Soviet Union. The same is for their adoption of de-linking. Lenin realized the revolutionary power of the peasants in a backward society and that is why he raised the issue of allying workers and peasants in the revolution (Lenin, vol. 6, 1961). There is another reason for this alliance, which was to orientate the peasant's support of the Bolsheviks' industrial policy. This argument is based on an assumption of a never-ending availability of revolutionary potentiality within the peasants. The question then becomes, was this potentiality a reality and did it get the chance, or time, to develop in a mature or gradual manner? Or, is the reason for Lenin's decision to include the peasants tied with his own wishes of embarking towards a worker's state and therefore realizing in advance that he needed to increase this class, even though inside, he might have believed that the peasants were still not mature enough for a revolutionary role? The burden was too heavy for the revolution did not spill over to Europe. Famine was decimating the population and the effects of the war were too painful. In addition, the Soviet Union began to face foreign intervention. This is why firm discipline on the one hand and liberal economic policy on the other became unavoidable. These are the circumstances within which the strategic policy, referred to as the "New Economic Policy" (N.E.P) was created. The essence of this policy was to create "... an increased reliance on the market, but as a

as a pre-emptive policy to avoid revolution.

temporary retreat" (Sweezy and Bettelheim, 1970:21) and to give the peasants a considerable amount of freedom in terms of trade, while insisting upon greater discipline within the party. Lenin envisaged a prolonged period of mixed economy before the socialist sector could significantly expand (Bottmore, 1983:278). There is no doubt that the imperialist center, as an antagonistic enemy, will never make this opportunity available easily for the Soviet Union. This situation brought forth the Stalinist political model.

It was Stalin who developed the main lines of the Soviet Union's strategy of practicing self-reliance by accelerating the growth of heavy industry and the extraction of agricultural surplus by 'obliging' peasants to be members in the cooperatives²⁷.

It was Stalin's long period of rule that allowed the Soviet Union's developmental strategy of withdrawal from the world economic order to be achieved (Mao, 1977). The two main features of Stalin's period are economic achievements and political repression within the communist party itself (Hunt, 1989). The harsh and continuous attack against Stalin from bourgeois politician, writers and journalists on the one hand, and ultra-leftists, who are deeply influenced by the core's bourgeois culture and politics, and renegade communists on the other, might be due to his role as a builder of the Soviet Union and not from a genuine humanitarian and socialist attitude. I think that the most dangerous fault of Stalin's regime, in terms of development, lies in his role in changing the revolutionary role of the Soviet Union to a bureaucratic state led by a party that isolated itself increasingly from the proletariat class²⁸. This form of the party was never keen on creating and raising socialist man. In this level, development became a state plan, not a popular initiative. According to the USSR's position in the world revolution, the USSR played a key role in placing the state's role, as well as fostering the theories of development, in the minds of the masses. Development theories therefore became controlled by an elite apparatus in the state, which resulted in a contradictory fusion between the state and the party: the party, especially its high ranks, became also the state

²⁷ For a Marxist-Leninist evaluation of Stalin, see Nihar Mukherjee, Remembering Stalin: Fifteenth Death Anniversary, in *Proletarian Era*, vol 36, no 13, March 1, 2003, p.p. 2-10.

²⁸ Stalin's iron fist still an issue to be discussed more in its historical context in terms of: was it a free decision by Stalin as his opponents argue or it was a defensible policy to protect the new socialist regime. But a policy which rooted in the system on the one hand and it became a privilege for the revisionists who came after Stalin on the other?

elite, the nomenclature.

China in turn, followed the Soviet strategy despite differences related to specificity of China itself where agriculture has been given greater flexibility in its development. Later, Vietnam also adopted the same strategy (Hunt 1989). But still in China and Vietnam, the state curtailed in the ruling party, control development as a bureaucratic alternative to the popular and working classes. The Cultural Revolution in China was a good, but not sufficient, step to restore the role of the popular masses, especially since Mao and his revolutionary current failed to start the second Cultural Revolution in proper time. Following Mao's death, China witnessed a change from above in its socialist regime. While the change was not manifested in a violent manner, it does not mean that it was not a class struggle between the capitalist roaders and communists. This battle has clearly been seen, at its worst, through the development of market socialism. The capitalist roaders of China falsely give the impression that the adoption of market socialism is not a deviation from socialism, but rather a temporary policy to strengthen growth and socialism. They pretend that through this policy, China achieved the highest growth rate in the world. However, one should not forget that the socialist China during Mao's leadership also achieved a very high growth rate. The difference is that Mao's China achieved high growth rate without the capitalist exploitation of tens of million workers who continue to receive the lowest wages all over the globe.

III. The Modernization School as a Tool for U.S Hegemony

There is some form of consensus that W.W. Rostows' book *The Stages of Economic Growth: A Non-Communist Manifesto* is the bible of the modernization school in the era of U.S ruling establishment's hegemony. Most of the underdeveloped countries were considered by him traditional and in order for them to develop; they must pass through the five successive stages that western capitalist nations passed through long ago. Writers in this school are in fact highly connected and are used by the states of the imperialist center for more than their ideologies.

Frank harshly attacks Rostow's "Stages of Growth" and his role in academically

legitimizing U.S imperialism and domination abroad. Rostow was the director of policy and planning in the State Department during Kennedy's presidency, and later Johnson's highest chief advisor on Vietnam. "It is on behalf of the Vietnamese economic growth that Rostow has become the principal architect of escalation, from napalming the south to bombing the north, and beyond"²⁹. Nowadays, Bernard Lewis and Samuel Huntington have become the Rostow's of Iraq and the war of the western capitalist 'civilization' against China and Islam.

From a theoretical point view, this school is the updated model that classical capitalist thinkers like Smith and Richardo, envisioned. This is why we must never attribute Rostow's work as the initiator of this school.

The main defect, and danger this school represent is not limited to its commitment to a capitalist system, but more in its connection with the state and the ruling class in the core countries, especially that of the U.S. The role of this state was always to block development of the COP, a role that is characterized by imposing a false development policy over its dependents of the COP. In many cases, the state of the center creates and supports the counter-revolution terrorists in order to dismantle popular regimes in the Third World, as seen in the cases of Chile (1973), Nicaragua (in the 1980s) and currently Venezuela (2002-2003) under Hugo Chaviz.

The US modernists' theories were a capitalist response against development. Social and political scientists who were engaged in teaching and marketing economic policies designed by the U.S ruling establishment constructed these theories. In doing so, these experts were part of the formal policy (that of the USAID, World Bank and IMF) designed against other countries. The U.'S ruling establishment always uses 'democratizatio' to justify its intervention in the internal politics of other countries. Through this 'democratization' approach, which is a mere cover for the real U.S aim of domination, the U.S succeeded in imposing its main goal of modernizing the COP, which in fact is actually blocking its development.

In 1968, Huntington argued in his book, *Political Order in Changing Societies*, that the political and civil institutions of the Third World (i.e. political parties, trade unions, civic groups, governmental structures, etc...) were not sufficiently developed to

²⁹ Quoted in M.Qassoum, *Manipulation on the World Scale* (unpublished PhD thesis), p. 23.

absorb the tensions and dislocations associated with modernization. Through ‘Democracy Promotion’, the United States seeks to build up in other countries the political and civic infrastructure that Huntington stressed was insufficient to absorb tensions and thereby to assure stability.” The issue here does not lie only in the writer’s attribution of a worldwide role to the U.S state. Or that he put the democratization of the whole world under the mercy of U.S capitalism. In fact he stressed that democracy will never work out of the core countries unless the ruling establishment of these countries ‘promote democracy’ there. But what takes place in the COP is that the U.S supports the political elite of the COP to rule in a manner that is far from real democracy and modernization.

This is not a new chapter of the U.S policy. It goes back to early twentieth century. The whole focus of president Roosevelt’s Advisory Committee on Postwar Foreign Policy was not a ‘Communist Threat’ but control over the world’s resources, and in particular, securing US access to the raw materials, markets, and labor power of the Third World. Behind East-West relations, therefore, North-South relations were always intrinsic and central to the whole Cold War era.

It is clear that a ruling establishment of this form of policy is against real development of the world. But what is more dangerous is that this country always finds, or in fact employs, an army of academics drawn from both the center and the periphery to theorize, apply and justify the policies and aggressive goals of this regime³⁰. Here, the academia suffers a moral defect. Through its control of the IFI, the U.S. has created NGOs and attributed to them a role in controlling the states of the periphery³¹.

³⁰ Salim Tamari, a Palestinian known liberal sociologist, uses the limited income of Palestinian intellectuals as a justification for them to cooperate with foreign agencies by providing the later of reports. He wrote: “Palestinian researchers like their Arab and western counterparts ready to sell themselves and researches for the proper price”. See Joseph Masad, *Realistic Politicians or Comprador Intellectuals*, in *Kanaan*, no 85, April 1997 p.p.14-28. The most representing example of Arab intellectuals who wrote reports for foreign imperialist circles was Dr. Sa’d Eddin Ibrahim of Egypt who arrested and sentenced in Egypt in the year 2000. See also in *Kanaan* no 105, the articles of David Jeps and Edward Said.

³¹ The World Bank began to enlarge the scope of its economic activities beyond cooperation with borrowing governments by establishing an NGO/World Bank Committee. The committee is co-chaired by the chief of the Bank’s Strategic Planning and Policy Review Department and an elected NGO member, and includes eight senior World Bank staff members and twenty-six representatives of NGOs. The NGO/World Bank Committee is 100 percent financed by the World Bank. In 1994, NGOs were collaborating in more than half of World Bank-supported projects. More recently, the World Bank began working on a new lending strategy designed to provide *microloans* to local groups and even local individuals. Such *microloans* demonstrate the ability of the Bank to circumvent the state if necessary and to penetrate (using NGOs in this case) as deeply into denationalized states as it wants. In 1995, the newly appointed president of the World Bank noted that his future visits to countries implementing SAPs will not be limited to

The result is that development has deteriorated. Development is now in the hands of the state, the imperialist state, which is designing a fascist, rather than democratic world order. Specifically, there exists a complex hierarchy of state on the world scale; the state of the center and its dependent one in periphery, the comprador state.

The founders of the modernization school have always tried to select elements from socialism. They borrowed from 'socialism' the bureaucratic elements of the state's role to support the role of market.

Development has deteriorated in the recent times, i.e. during the era of globalization to the level of modernization and modernization itself has been placed in the control of the state, and this state in most of the countries all over the world has in turn been manipulated and controlled by an outside force, predominantly the U.S. ruling class with International Financial Institutions (IFI) in its hand. The free market, which is in fact an ideology, replaces development and pretends that it is the true precursor for real modernization. The bourgeois political leaders, with the aid of their schools of thought, emphasize two main issues with regards to the free market ideology. The first is that free market is the only choice for human development (i.e. modernization). Second, it emphasizes that the United States is the "world state, the 'empire' which have the upper hand over all national states in the globe."

The London Economist highly markets modernization in the form of a free market role: "There is no alternative to the free market as the way to organize economic life. The spread of the free market economics should gradually lead to multi-party democracy, because people who have free economic choice tend to insist on having free political choice too" (The Economist, December 31, 1991:12).

Facts on the ground however, never show that there is a 'real' free market, invisible hand and state neutralism. Even the private Fordist regime of accumulation succeeded only when it took the form of a state-sponsored economic intervention known as

meetings with state officials. In his words, "those visits will not be state visits. I will, of course, see the governments in the countries but it is my expectation that I will visit projects, that I will talk with project managers, that I will walk the streets, that I will meet with the locals, that I will go and have a beer at night after dinner in good Australian fashion" (Wolfensohn, 1995). This explains the hierarchy of the world system. The state and its international financial tools design their own and the COP economies. The state in

Keynesianism. As for the relationship between capital and the state, Istiv`an Me`sza`ros argued that “Despite all protestations to the contrary, coupled with neo-liberal fantasies about ‘rolling back the boundaries of the state’ the capital system could not survive for a week without the massive backing it constantly receives from the state... What Marx called the ‘extraneous help’ given by Henry VIII and others to early capitalist development has reappeared in the twentieth century in an unimaginably massive form, from ‘common agricultural policies’ and export guarantees to immense state-financed research funds and the insatiable appetite of the military-industrial complex... we are approaching a systemic limit in that we are confronted by the chronic insufficiency of extraneous help in regard to what the state is now capable of delivering. Indeed, the structural crisis of capital is inseparable from the chronic insufficiency of such extraneous help under conditions in which the defects and failures of this antagonistic system of social reproduction call for an unlimited supply of it” (Mes`zar`os, 2001:21).

As a modern example, let us look at the U.S. The current ruling establishment in the U.S., under George.W.Bush, has decided to reduce taxes. Every taxpayer receives a tax refund of \$300-600. The section of U.S. society who received billions of dollars in the tax refunds is corporations³². This shows us that the core state is still re-organizing the bankrupted companies until they show profits again. The U.S led aggression to re-colonize Iraq is a state decision to use U.S people’s money and army to control Iraqi oil for the benefit of U.S corporations.

This confirms precisely that the economy is led by the state, not by the free market. It should be noted here that the role of the state in the core countries, i.e. the U.S. is obviously different than the state’s role in the COP. The free market and neo-liberal policies are more applied on the dependent COP, not the center. The U.S. state support of the military industry could be explained better when linked to the creation of the Globalized Public Capitalist Sector GPCS (Samara, 2001). For the sake of the military complex, the ruling establishment of the United States maintains its occupation, through

the center intervenes on behalf of that of periphery. Mohameden Ould-Mey. 1999. The New Global Command Economy. *Environment and Planning D: Society and Space* 17(2):155-180

³² “The Bush tax cut for the rich (approximately \$200 billion per year) Loren Goldnerm, *Against the Current*, January-February 2004, p. 12.

its military bases, over at least 60 countries all over the world. To maintain this domination, the state must help the military industrial complex.

This military domination enables the United States to become the leading state of the world, inheriting from old imperialist countries that obliged to accept the role of second level partners. The recent U.S aggression against Iraq, Yugoslavia, Afghanistan and the threats against Iran, Syria and North Korea are some of these indications. The old imperial powers are acting as the U.S army's tale, in all its aggressions. These countries are not enjoying this role. Their participation is tiny in comparison to that of the United States. Correspondingly however, their shares after the aggression are marginal as well. While Britain openly supported the U.S aggression against Iraq, some of the old imperialist countries were forcefully obliged to offer their support. Japan was obliged by the U.S. to pay billions of dollars to cover the costs of the U.S led aggression against Iraq in the Gulf war 1991³³. In the current world situation, there is one independent state in the world, the U.S. Other core states are autonomous entities, whereas the rest, the COP, are seen as nothing more than colonies. This however does not mean that states all over the world have lost their role. Every state's position is decided according to its place in the world states hierarchy and its share in the control of the IFI. As a result, states in the COP became governments working according to the commands of the central state, the global 'empire' in Washington D.C. They have accepted U.S leadership and are satisfied by the trickle-down share³⁴. Will this situation continue? It might continue for a certain period of time, but there are two main powers working against it. First, it is the capitalist competitor of the old imperialists, the EU, who are competing with the U.S for domination. A second, equally powerful force is the world people's rejection of war and capitalism, which is the human socialist alternative. Both powers still are in their mere

³³ Japan paid to the bill of the Gulf War \$13 billion (*Loa Angeles Times*, 20-9-2001. Germany changed its constitution to contain an item justify its military intervention abroad so as to "help" the United State's aggression against Afghanistan.

³⁴ In fact, the London *Economist* wrote very early in this respect that: " We must learn that we are not the American's equals now, and cannot be. We have a right to state our minimum national interests and expect the Americans to respect them. But this done, we must look for their lead"(The *Economist*, November 17, 1957). The same is for the London Observer, saying with enthusiasm about President Roosevelt that: "America has found a man. In him the world must find a leader" (The Observer's comment on Roosevelt's First Inaugural Address, delivered in Washington D.C., March 4, 1933, quoted in Zevin, Nothing to Fear, 13. quoted in Istiva`n Mes`zar`os, *Socialism or Barbarism: From the 'American century' to the Crossroads*, Montly Review Press 2001,p. 24)

beginnings, in terms of inception and organization. Our generation, especially those in the COP, must illustrate to the coming generation that it will suffer the wild exploitation of capitalism, unless it does something about it.

IV. The Dependency School

The roots of this school are found in the “Economic Commission for Latin America” (ECLA) created in the United Nations as a link between academic researches and political economic planning in Latin American countries. It was founded in 1948 in Santiago, Chile. Its role in development debate became evident under the leadership of Argentine economist Raul Prebisch, who realized that the trade conditions of raw material producers are deteriorating and that the Latin American integration into the world order is becoming more unjust³⁵. Other economists echoed Prebisch concern. Economist like Fernando Henrique Cardoso, Teotonio dos Santos, Osvaldo Sunkel and Andre Gunder Frank all shared Prebisch’s dubiety regarding world economic integration. The Dependency School was motivated by the deterioration of international trade conditions against, or at the cost of, the interest of the Third World that has led to the strangulation of growth in the periphery, a decline in the elasticity of local demand, a decline and un-diversification of its export and an international decline for the primary goods.

While Dependency theory started within the ECLA on the one hand and the import-substitution strategy as one of the applications of the dependency theory on the other, the propagators of this theory did not agree upon this strategy. At the same time however, it is clear that their support of the national state is an indirect encouragement of import-substitution policies, which is only conducted in a limited manner by the bourgeois state.

Writers of Dependency School did not attribute underdevelopment, in the first

³⁵ The last meeting of the WTO tells Prebisch that his cry still valid but not on Latin America alone but on all the COP!

place, to internal factors, such as the inherited feudal and traditional systems of the Third World societies. Nor did they attribute it to the lack of local capital formation to finance development or to the lack of entrepreneurial or labor skills. They attributed underdevelopment mainly to external hindering factors, especially the international division of labor.

It should be noted that, as long as the Dependency School supports the national state, it is in fact neglecting the class struggle and sooner or later it will fall between the hands of the state as a class tool.

This school started as one that would deal with the COP. Its concentration was primarily, but not completely, on economic instance. As a peripheral school, some of its writers developed towards de-linking from the world order. As a national and peripherally oriented system, The Dependency School developed to a regional self-reliance school. What made its strategy not applicable is the fact that the nationalist governments, the state, in the COP, never adopted the de-linking approach from the World Order. These regimes are in fact against internal regional peripheral integration. Its class structure is the reason that it continues to block their countries' development. While the Dependents have been criticized for straightforward advocacy of radical social change, they depend on the national regimes of periphery, the state, to achieve their radicalism. The same state, which has failed to generate radical policies because of its pursuit of its class interests, is the state that the Dependents depend on. To achieve radical changes, the Dependents' argument needs to be adopted and conducted by revolutionary social movements, the deprived masses, not by a ruling class who is not ready to sacrifice its own interests for the sake of the greater national interest. In doing so, the Dependency School attributes economic factors a major role and ignores the role of the socio-political structure, i.e. it ignores the class factor. They see underdevelopment as a problem caused by international relations, particularly those pertaining to trade. This is a mode of thinking that has minimized the role of the internal social structure of the peripheral countries. They concentrate their attacks against the dominant foreign power, not on its internal supporters, despite the fact that they acknowledge the hierarchal base of the crisis that pins the popular class against the dominant foreign power and the ruling elites of the periphery. Their concentration on a broad national base is not enough for

change in the COP. They believe that underdevelopment of the COP is caused by foreign trade has led them to argue for de-linking. But, the vehicle that they adopt to carry this de-linking is not the proper one, because they use the national state.

For the Dependestists, foreign assistance and investment is a form of a trickle-down relationship. It will not lead to the development or disperse of technology. While modernists believe that foreign capital is of vital importance for Third World development, they argue that prior assistance to the dependent countries did not generate development, but rather has caused an increase of inequality between states and even areas in one country, i.e. internal colonialism.

This school differs far from Marx, who saw that the world's transformation to socialism would occur through the developed capitalist countries. Followers of the Dependency School argue for contradiction, not integration, of the center and periphery. It did not agree with Marx that the center will re-shape the periphery according to its model. While Marxism is a theory of the working class, Dependency School is more of a national theory for the periphery. This might be because it is born during the era of national liberation movement, the second national wave, and the development of the national state in the COP.

But at the same time, the Dependency Theory can be understood as a critical response to the Laissez-faire model on international trade and economic development, which can be traced back to Adam Smith's *The Wealth of Nations*, in which he explains that economies will benefit from the division of labor. The Dependency School has examined the role of multinational corporations, which play an important and debatable role in the world economics of globalization.

The Dependency School has become large and varied, to the extent that it is hard to define it as one school. It has close affinity with the World-System Theory, later developed by Amin, Frank and Wallerstein. Amin has pushed the World-System Theory to de-linking. While Amin maintains his radical analysis, despite the many successes of the counter-revolution throughout the world, Frank, who is a main figure of the Dependency School, has at times wavered in his ideas and beliefs. He argued that, "This historical process of underdevelopment cannot be reversed and turned into economic and

social development for the majority of the Latin American people until they destroy the capitalist class structure through revolution”³⁶. The issue here is that the vehicle that Frank depends on to carry this radical change and revolution is the national state. Lately, Frank no more sees the experience of the nation state possible for de-linking. He believes now in world development, and considers national de-linking as vague concept. This is why he has changed to adopt radical democracy, neglecting various social groups. “Frank coins his hopes on radical democratization based on the emerging strength of the hitherto neglected social groups, and especially women” (Leys, 1995:34).

Some writers of this school developed a theory on the role of culture in deepening dependency. “However, it is a common characteristic of dependency studies that dependency relations are seen to extend beyond the economic sphere – they are cultural and political also (Hunt, 1989). Contradictory to early theorist of this school, many of them have pushed the analysis towards the internal factors of underdevelopment. “The Structuralisms meanwhile, sought to achieve the same end by identifying a primary case of economic dependence (the cultural dependence of the elite in the case of Furtado, 1973, multinational corporations in Sunkel, 1973) and by then tracing the manner in which, through a series of causal linkages, economic dependence is created” (Hunt, 1989:68).

Furtado pushes the analysis to explain that the underdeveloped social formations are victims of the ruling classes, an analysis which goes to the other direction of the traditional Dependist argument: “The surplus remaining in the country was basically used to finance a rapid diversification of the consumption habits of the ruling classes through the import of new products. It was this particular use of the additional surplus that gave rise to the social formations that we now identify as underdeveloped economies.”³⁷ This critique was still valid until today and has even been expanded to include most of the other classes, as long as these countries changed from IS policies to a more direct import policy under the regimes of capitalist comprador. In the Arab

³⁶ (Andre Gunder Frank, *Economic Dependence*, quoted in *The Political Economy of Development, Development Theory and the Prospects for Change in the Third World*, Berch Berberoglu, State University of new York, 1992. p. 33)

³⁷ Furtado. C., ‘Underdevelopment and Dependence: The Fundamental Connections, Seminar paper, p. 2.

Homeland, the continuous wars because the creation of the AZeI and the capitalist globalization of the western countries, especially that of the U.S., large amounts of the area's surplus have been consumed for weapon imports. Many of the Arab ruling regimes lack the ability to provide national security, despite the large weapon imports, and so they in turn ask the U.S enemy to protect them³⁸ the costs of this protection were high to the extent that they became indebted!

One of the problems of the Dependency School is that it came at the same time period (1950s) as the deterioration of the communist parties (the Soviet current), and the subjugation of these parties to the 'state', especially the 'socialist' state. The subjugation of the communist parties through the deterioration of their leadership to compromise with the ruling comprador classes, of many peripheral countries to the bourgeois national state has terminated the chance of creating the desperately needed revolutionary party to carry the radical mission that they were originally designing. A striking case of this is the decision of the Egyptian communist party to dissolve itself in the nationalist ruling party regime in the first half of 1960s. All of these compromising attitudes by many parties of the communist movement have been influenced by the Soviet Union's revisionism, which included changing the Soviet Union's priorities from the original priority of ensuring that the duty of the revolution was carried out by the popular class to the interests of the state.

In fact, this school came in a period of time when the old form of political party failed to meet the demand of the period. The demand was to create an open, democratic, highly educated and deeply rooted movement between the masses.

The problem of the Dependency School is in their vague tools of change. They attack the bourgeois class, but at the same time they are betting on the bourgeois state. Most of its writers were never members of any political party. While it is good to transcend old outmoded revisionist political parties, the Dependency writer has created revolutionary ideas with no social vehicle to carry and disseminate it.

(Center of Latin American Studies, Cambridge University, 1973). Quoted in, Hunt p. 208. Diana Hunt, *Economic Theories of Development: An Analysis of Competing Paradigms*. Harvester Wheatsheaf, 1989, p. 68.

³⁸ The obvious example is the states of the Gulf Cooperation Council. Following the U. and other aggressive western capitalist regimes occupation of Iraq, Libya's dictator Qaddafi has been terrified and

V. The Import-Substitution Strategy Development through Integration

This is not a concretely defined school in terms of its analysis and theories. It mixes different writers from different schools therefore, making it difficult to characterize them collectively. The strategies, or policies, of development through Integration into the World capitalist Order has been adopted by the national bourgeois regimes in several independent countries in the periphery with the aim of supporting their political independence. This is a strategy of development accepts and stems from the dominance of the already existing world system. In other words, applying this strategy implies that capitalist development is possible in the periphery, and that the center is not only neutral in the process of peripheral development, but will contribute and support that process. Regimes of the COP that adopted this policy rely on importing technology from the center, and in many cases have built their development strategy on the expected loans from the center's financial establishments (Larrain1989). In this case, the policy of these COP regimes is the catch-up development with the core developed capitalist countries. It is important to note that this school did not limit itself into the adoption of state's role of development, but it expects development to be controlled by the state. This Import Substitution (IS) is influenced by the Dependency School, in terms of the role of the peripheral state to lead development. As a policy however, it was not that cautious to the center's polemic role towards developing periphery.

It should be noted here that each of these policies and schools of development through integration serve a certain class. For instance, the strategy of import-substitution serves the middle class, based on the shoulders of popular classes, and ends up in the service of the bourgeois and comprador class. The best example for that is Egypt of Nasser which ends up in the hands of a comprador capitalist class, who adopted the Open-Door policy. The Marxist's school of integration into the World System (Warren 1980) advises the proletariat to support the bourgeois' industrialization and capitalization policies in the peripheral countries. It is not Warren only who asks the working class to

gave his country's unconventional weapons to the U.S regime, a project that cost the Libyan people billions of dollars.

support the industrial capital; Kautsky expects them to also help industrial capital against the financial capital.

The import-substitution strategy was applied in newly independent countries ruled by the state of the national bourgeois classes in 1950s and 60s such as Nasserism in Egypt and Peronism in Argentina, India³⁹, and Brazil. The aim of this strategy was to plant light industries with mostly capital-intensive imported technologies to produce, to a certain extent, luxury goods for the consumption of the local middle class in general and the high-income elite and expatriates in particular. As Szentes point out, "It is supposed to proceed backwards from the local manufacture of imported consumption goods to production eventually of intermediate and capital goods. It necessarily leads, after a transitional period of easy import-substitution, to fiasco"(Szentes, 1988:69).

The same ruling classes who adopted this policy and started a progressive and nationalist regimes, ended up to adopting a comprador role leading to the establishment of comprador regimes. This is not only because import-substitution has already been shown to be inadequate in most peripheral societies, but also because it's main defect is that it does not encourage a withdrawal from the world economic system, a policy that at the end puts the local infant industries under harsh and unfair competition with foreign industries. Furthermore, and even more important, the import-substitution strategy tends to favor the middle class and their particular consumption patterns, rather than encourage development of the popular masses' economy, i.e. producing the basic needs for the popular masses. As limited by class, this model of development becomes un-effective on the social level.

Accordingly, it loses its attraction to the masses. That is why, when these regimes collapsed, the masses did not care that much⁴⁰. As a model designed for the middle class, it became more externally oriented, because this particular class itself is loyal and inclined towards western bourgeois consumerism pattern. A limited number of

³⁹ For India's recent economic and development deterioration see, Vishwas, Market Fundamentalism, in *Janashakti*, vol-9 no.1 January-February 2001, p.p 19-26.

⁴⁰ This shows how harmful is the regime's non-confidence in masses and its failure to let them create their representing organization. In the case of the Soviet Union, the masses themselves were the power that terminates the *Nomenclature* regime.

this class has failed to create an effective demand for domestic products, in addition to the fact that when this class found a chance to acquire foreign goods, they preferred them over local ones. This means that these regimes are attempting to fatten the middle class as much as possible; however, the small number of this class cannot alone create an effective demand to generate an active mass consumption to generate the necessary surplus for saving and investment. Moreover, the fattening of the middle class increases consumption from imported goods, rather than the local ones that have been designed to replace the imported goods.

It is important to note here that this form of industrialization failed to develop to a Fordist model due to several reasons. First, it failed to generate either, a mass employment or a large working class demand, consumption. Second, it failed to impose tough protection measures over its domestic market. This second reason illustrates its integrationist tendency. Finally, it failed to control the national surplus. The reason for this is that inside it, it contained a lot of merchant factions who “developed” their own interests that were tied with their desire on becoming part of the comprador class. This terminated the national regimes themselves. As a result, these regimes went beyond the tendency towards integrationist tendency, i.e. Dependency.

For the Arab countries that applied IS strategy, there is also an additional factor that contributed to their current dependent nature. This factor is the failure to unify the national market and to create a central Arab State. In fact, the Arab progressive nationalist regimes that adopted that strategy finally deteriorated to *Iqlimi* (comprador) capitalist regimes.

As an infant industry, the COP needs at least capital and skilled labor to apply this strategy. Both were mostly not available. That is the reason why the regimes that apply these policies had to depend on foreign finance. This put a big question over the chances of success of these policies. To apply this strategy, it is imperative for the state to change the old structures to be able to deal with the new developments and demands, such as those of consumers, the inter-mediator commodities and capital goods.

But this policy of foreign imports of capital, techniques and skilled personnel needs a lot of capital that must be borrowed. Here we find that the ‘development’, which was aimed at transcending dependency in the productive level, fell into the trap of

financial dependency! It is not an easy policy to protect the domestic market in front of foreign products, as alternative domestic products are financed by the debt that must be paid regardless if this policy succeeds or not. This made large local consumption and export an urgent issue. When it did not take place as mentioned above the whole policy collapsed.

In practice, those states that applied import-substitution policies found themselves by the mid 1970's in a crisis of several folds. Their industries failed to export. This puts them in a crisis of seriously under-utilized production and excessive production costs. The financial shortage of the budget ends up in a situation where the state was unable to pay the price of spare parts, skilled labor and experts to operate the imported machines. That is why it was obliged to borrow, accumulating new debts in addition to preexisting ones⁴¹. Furthermore, as their agriculture failed to satisfy local needs, they were also faced with the problem of food -security.

The high birth rates, corruption and the luxurious consumption were additional factors that led to the deterioration of the economies of these countries and the inescapable collapse of their development policies. These are the main reasons behind the collapse of these strategies⁴².

One of the aims of Import-Substitution is to apply the policy of industrialization in depth. These policies are imposed from above as they are adopted by the ruling classes and the state. What we see is development by command. These strategies require the state to be the principal agent for the regulation of the process and of ongoing restructuring. This might be advantageous as long as the state's policy is that of a nationalist productive one. However, when state bureaucracy developed to a comprador one, the result became catastrophic.

If this in depth strategy of industrialization was accompanied with manufacturing from below, i.e. industries that produce the basic needs, then if the first level of manufacturing collapsed, the second would be able to continue and save the country from

⁴¹ The jump in oil prices was an additional factor that increases the pressure over these economies. While, most of the analysts attribute the increase of oil prices to the Arab producing countries, another scenario arguing the opposite. See *The Observer*, 14 Jan 2001 (an interview Sheik Ahmad Zaki Yamani.

⁴² Some writers attribute the failure to other reasons like culture, either in the ignorance of the local culture or the adoption of the western culture. This is not an important factor. However, this will be discussed in Chapter Three.

being an importer of all its manufactured needs.

The collapse of IS policies all over the Third World, paved the way for the policies of re-adjustments as a conditioned and imposed by the IMF by the lending of sums of money liquidity for these countries to be able to repay some of their debts⁴³. As long as these states returned to borrow from the IMF, their “development” policies deteriorated to “modernization” as a strategy designed since the 1950s that is sponsored by U.S imperialism. All these developments happened in parallel with the process of compradarization. In other words, the collapse of the national productive ruling elites paved the way for the comprador modernization elite, the increase of ethnic clashes and the weakness of national state sovereignty. The disintegration of the Soviet Union did strengthen all of these degradations. Accordingly, the state in the COP has lost its local development role and has failed to continue its economic independent road, achieving the opposite of what it initially set out to do.

As mentioned in previous pages, the UNDP, the World Bank and the IMF inherited the ruins of “development” theories and policies, and began imploring ‘the social dimension of adjustment’, as a step in the process of ‘the World Bank and United States’ occupation’, as mentioned earlier, of the development discourse.⁴⁴

As noted above, modernization replaced development. Many of the world system theorists moved from the Dependency School to their liberal argument centered on the point that economic integration on a world scale will lead to the improvement of the function of the national economy. Many writers of World System and Dependency theories have detrimentally stated that the solution to underdevelopment is to integrate the COP into World capitalist Order⁴⁵.

⁴³ The total amount of the indebted countries was in 1971 \$71 billion. By 1981 it became \$520 billion. The service of this amount jumped from \$11 to 110 billion. (See later in this chapter).

⁴⁴ The issue of development for Michael Camdessus, director general of IMF, limited in a humanitarian attitude:

“...Much remained to be done to introduce a broader dimension of responsibility, co-operation and solidarity into the fund, strategies he recommended a maximum of humanization in structural adjustment”
Quoted in Henri Bartoli, *Rethinking Development: Putting an end to Poverty*, UNESCO publications 1999.p.45.

VI. The Statist Marxist School

The relative and temporary success of Import-Substitution in some Third World countries, despite their different and various policies and approaches, i.e. those of Naserist Egypt, on the one hand and the Four Tigers on the other, led some Marxist authors to believe that industrialization is possible in the Third World, even through a capitalist approach. These authors were also impressed by the false development of the 'socialist' state on the one hand and the nationalist state in the periphery on the other. Furthermore, they have tried to renew, albeit not directly, Marx's belief that forecasts that the developed capitalist country will develop the non-capitalist one.

One group evaluated import-substitution policies from the point view of economic and industrial growth (Warren, 1980). Encouraged by economic growth, Emmanuel (1972) and Warren (1973) argued that Third World countries were in general embarking on an autonomous industrialization (Tayler, 1978:54). The main successful examples that these writers used were the states of South East Asia. It should be noted that the development of these countries has been supported by several external factors that have their origins as back as the imperialist support in the form of a front line castle in front of communist China. The South East Asian countries benefited from the loans that became highly available following the 1974 increase of oil prices by 400%⁴⁶. The ruling elite in these countries played a major role in their successful modernization⁴⁷. However, these 'success' stories deserve further analysis. In the case of the South East Asian countries, they have fallen into a terrible financial crisis in 1997 and are still struggling against it. Western financial institutions have continuously praised the same bureaucratic role that we see from the South East Asian states, which is highly contaminated by nepotism and corruption, as an example of their efficient policy. However, when the financial crisis ensued these economies, the same international institutions that praised the Tigers' form

⁴⁵ Henricho Cardoso was one of the main Dependency theorists. He moved to be a liberal economist. When elected to the presidency in Brazil he adopts liberal policies, the IMF and World Bank prescriptions. In his eight years in presidency, the Brazil's economy sunk deeply in debt burden.

⁴⁶ The money surplus of the increased oil prices found its way to the merchant banks of the core countries in what named Petrodollar. The merchant banks lent a lot of this money, obliged for that to circulate the accumulated money liquidity which will stay as lazy money if not lent to many COP who failed to repay, the development that creates the debt crisis in the 1980s.

⁴⁷ For this issue, see Robert Wade, *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. Princeton University Press, Princeton, New Jersey, p 297.

of modernization, hypocritically attributed the crisis to the same praised factors when they themselves praised before as “successful modernization”.

This strategy should be evaluated according to its contribution in achieving an articulated development for all economic sectors of the national economy and the position of human beings involved. Or to put in different terms, does this strategy of development cover all aspects of life in society? The central point is that the international division of labor, which is controlled by the center, keeps the peripheral countries dependent. This is the basis of the Western capitalist strategy of polarization. And if there is a possibility for the periphery to transcend this traditional industrial dependency, it is the center that has allowed it to happen according to certain reasons. This is the process of transforming the center toward a specialization at the level of technology, which permits the center to maintain its leading role.

Despite the numerous polemic campaigns from Western economists (from both reformist left and right) we have some, like Amin, who rightly maintained the analysis of polarization and the specialization of the center and the periphery for nearly forty years. Recent developments are supporting Amin’s attitude. "The developed center will specialize in automated forms of production requiring very highly skilled labor, while, the periphery will specialize in the classical (including heavy) forms of production of the industrial epoch, requiring only unskilled labor (Amin 1974, vol, II: 653).

On this level, Sivanandan argues that, "the gap between them never closed. Today's New Industrialized Countries NIC do not become tomorrow's Developed Countries DCs-and if they do, it will be only because the DCs have moved to higher things, becoming HDCs {highly developed countries} and the chances of the UDCs {Under Developed Countries} become more remote” (Sivanandan, 1989:4).

For example, the U.S. has refused to countenance South Korea's ambition to take off into aerospace industry and has suggested it sticks to making components instead". (Sivanandan, 1989:4). This role enabled the center to shape and re-shape the form of development of the periphery. Thus, the main question now does not revolve around the possibility of the periphery's industrialization, but the possibility of escaping from the hegemony of the center over the international division of labor.

Following the failure of the import-substitution strategy to generate surplus for

continuing industrialization in the periphery, most of the states that applied it made the u-turn towards open door policy. This policy pegged the multi-national corporations to "industrialize" peripheral countries and foreign capital to invest in their economies. The main feature of this new phase was to locate industries producing intermediate, environment polluting and traditional industries for export. Reaching this point, the ruling classes of the countries which adopted this new strategy did gave up their national aims to achieve a genuine development strategy; that is, to achieve articulation between local economic sectors, to control the local surplus and to transcend the stage of primitive accumulation. Furthermore, the ruling classes in these countries decided to abandon all protection economic measures and gave the transnational corporations the chance to transform their national economies according to the needs of the center. This new focus of export-led industry became one of the most debatable development strategies among Marxists.

Followers of this export-led industry have another but major dilemma: they support the bourgeois state. Berch argues that, "the monopoly fraction has meanwhile been blocking the state from fulfilling its role of advancing the broader, long-term interests of capitalism and the capitalist class" (Berch. 1992:68).

Berch maintains that the state represent the interests of some capitalist factions over others. The most important issue is that the state is still in service of capital. This without expanding the analysis to explain that in practical life of the capitalist social formation dominated by the capitalist mode of production, there is no such real thing called a state versus capitalist class, but there is an internal factional rivalry and competition inside the capitalist class. Why there shouldn't be an internal capitalist groups' conflict, as it is in the working class, i.e. between the strike breakers and other workers?

"As capitalism developed from its competitive to monopoly (imperialist) stage, the state increasingly lost its "relative autonomy" vis-a 'vis the various fractions of the capitalist class, and became an agent to safeguard and advance the interests of its most powerful fraction, monopoly capital" (Berch, 1992: 68).

There is a contradiction in what is referred to as the state's "relative autonomy." There is no separation between the state and social classes, whether we apply this

statement to countries in the center or the periphery. As long as the global era continues, state in the U.S., that is nothing more but a mere tool for the capitalist class, will continue its internal role of minimizing the taxes for the multinational corporations and expanding its external role of occupying more areas for capital's exploitation and plunder. The peripheral state loses more of its national independence and sovereignty for the interest of the ruling classes in the center and the local comprador.

While supporting the U.S. working class, Berch falls in a position that attributes a 'good' role to the imperialist state. He says, "Its most recent development in Middle East translates into an enormous burden on the working people of the United States, who have come to the colossal cost of maintaining a global empire whose vast military machine encompasses the world" (Berch, 1992:69).

This is false considering the fact that neither the U.S., nor any colonialist/imperialist nation, pays the cost of their troops in the colonies. This also applies to the case of the Zionist occupation of Palestine. In reality, it is actually the opposite of what Berch claims. These aggressive forces are in the colonies so as to maintain the extraction of wealth from their respective colonies. The costs of U.S. forces in the Arab Gulf are in fact paid by the Gulf regimes. As long as these forces occupy the Gulf oil fields and recently destroy and occupy Iraq, they provide jobs for a large part of the U.S. working class inside the U.S. and in the Gulf area. Here, the working class (in the case of war the quarter million U.S. and allies soldiers in Iraq) is part of the colonial power and they carry the same racist culture of the capitalist class both consciously and unconsciously. The U.S. re-colonization of Arab oil producing countries could be understood by one model of the Globalized Capitalist Public Sector GCPS. As a Marxist, Berch must provoke and agitate the same working class against its reactionary leadership as well as against the capitalist class who got in the end the lion's share. This of course, is if we believe that the GCPS does not serve, at least indirectly, the U.S. working class.

The real burden might be the human losses of the U.S. army. Even this threat, especially after the bitter US experience in Vietnam, has been minimized by US imperialism through the use of "smart bombs" and air raids against every thing in Serbia, Afghanistan and Iraq. The Iraqi resistance is about to dismantle this theory as long as the U.S. occupying forces, i.e. the working class, continues to suffer casualties every day. It is

naive to believe that colonization occurs for any other reason except real direct economic interest. The question then becomes for whom is this economic interest benefiting? Is it mainly and firstly for the capitalist class only, or for all who accept and share in the process? The working class got their share of trickled-down wealth, therefore making them an accomplice of this horrendous crime. They are in fact the direct killers! What a shame! What a shame for civil society who did not revolt against a ruling class that humiliate, bombing and plunder other nations.

The Renegade of Marxists

Following is another Marxist current that differs from that belief of the developmental role of the statist nationalist bourgeois modernization approach. Developments in the world order goes in the opposite direction from the ideas of world-system theorists like Amin and Wallerstein. The world revolution faced a harsh defeat. One aspect of that is the collapse of the Soviet Union. These developments pushed a lot of socialist writers to avoid mentioning the socialist solution or introducing themselves as Marxists. Some leftists resort to the exaggeration of the cultural role, in attempt to find a place for themselves in the neo-liberal circles to prove that they are no more Marxists. A 'Development Model' suggested by the French leftist and leading propagator of the statist school, Liepetz illustrates this. He supports the bourgeois demagogic campaign against the class struggle.

Liepetz's alternative development model proposes the following:

- "A new wages pact, based on the negotiated involvement of workers in exchange or control over the introduction of new technologies, a dynamic guarantee of employment, and an increase in free time;
- The development of the welfare state into a welfare community, with the setting up of a third sector of community work schemes which would be self-managed, contractually bound to end-users, and part of a logic of local development founded on partnership;
- A new world order based on multilateralism, with international credit money, abolition of debt, and social clauses on free trade;

- Development choices, at the local level giving greater importance to the ecological optimum, and an international agency for the protection of the common domain of humanity” (Lipietz, 1993:144-145).

This model of the new luxury capitalist state emerged in the center of the world order since World War II, where compromise became possible only because the center succeed in maintain its exploitation and drain of wealth of periphery by neo-colonialism, unequal exchange, compradorization and the blocked development of the peripheral societies. All of these developments reflected as prosperity for the center.

What Liepetz offers the peripheral countries is the abolition of debt. Even if his baseless demand is possible, the Third World debts were re-paid by the peripheral countries three times at least (Goulet, 1983). In addition, Liepetz supports the liberalization of international trade, even if he gives it a 'social clause'. What is important is that the liberalization of trade is able, alone, to block development of the peripheral formations. This has been confirmed by the ECLA in the past fifty years.

This model is a model of class compromise and reconciliation in the center that will lead us to conceptualize the center and the periphery as separate “nation-classes.” It is important to note that this compromising approach from the capitalist center came in parallel with the globalization era, the era in which capital continues to adopt and apply neo-liberal policies, which include the termination of the welfare system, the working class achievements, women employment...etc

VII. The World –System School

The World-System Theory, of Amin, Wallerstein⁴⁸, Arighi and Frank is organized

⁴⁸ While Wallerstein mainly emphasize on the class dimension, he failed in some places to concentrate on that dimension when he wrote that, the peripheral states have been exploited by the core and the semi-peripheral states, while the semi-peripheral states occupy an intermediate position, i.e. exploiting the periphery but being exploited by the core ones. This is a true analysis in general. But here Wallerstein neglects the class dimension. When the core exploits the semi-core or the periphery, it is not all the core people that exploit and drain wealth. The same is for the exploited periphery whose comprador capitalist class shares with the core capitalist class the extracted surplus from its native popular classes.

The same is for his argument regarding the bourgeois insistence to defend the capitalist system. He contended that the bourgeois is less and less willing to defend a system that gives them fewer privileges. He wrote: “the processes of capitalism themselves undermine the political strength of the system...I

around the center-periphery approach. This theory does not concentrate on governmental relations, but more so on multinational corporations and financial institutions that control the world markets while the national state become a tool in their hands.

The World System School has developed from the Dependency School. This school's approach to a country, region, ethnicity and class began by looking at the large perspective of the world-system first, then concentrating on the more concrete social formation and the dominant mode of production in the country under discussion. It considers the world system as one unit, and accordingly, each part or component able to influence the other.

The basis of analysis in the world-system is that the world economy as a whole must be studied. The study of social change in any component of the system – i.e. nations, state, regions, ethnic groups, and classes- must begin by locating that component within the world system. Theorists of this school concentrate on the state as the unit of research. World-System theorists have a dual research agenda. In one aspect, they examine the consequences of dynamic changes in its components (such as states) for the evolution of the system and for the movement of various components within the system. In another aspect, they also examine the consequences of dynamic changes in the World-System with special interest in internal dynamics and social structure in its various components.

Their main argument is that the core of the World-System is mainly determined through intervention, exploitation, imperialism, unequal exchange, culture and colonialism...etc, the daily life, practical policies and decision-making in the periphery. This is why analysis of any area from the World-System approach is vital and inescapable. For them, the ruling classes of the core countries control the World-System's periphery through a clientele relationship. This school developed the argument from the level of governments, the role of multi-national institutions, corporations and banks. It argues that the center dominates the two worlds both politically and financially. Accordingly, class is a more important factor in this school's analysis than it was in its

believe, as did Schumpeter, that we are living in the early stages of the transition from capitalism to socialism, which is going on 'under our eyes'". (Wallerstein, *The World System* 1972, pp, 149-50). But, what happened is that capitalism in the era of imperialism embarking to capitalism in the era of globalization.

predecessor, the Dependency School. Most of this school's theorists started from the necessity of liquidating the capitalist system and the development of socialism. At this level, Amin argues, "If the contradiction between center and periphery is an essential factor in the capitalist system, this thesis imposes political results. If the establishment of a national bourgeois state and the completing of a self-reliance economy impossible in the peripheries, then, there is a necessity to adopt another road for development...the road of withdrawal and socialism" (Amin, 1988:25). Here Amin again reemphasizes the strategy of de-linking.

The question however is not what form or theories and scenarios of development to use, but more so what are the tools for development and how will the social vehicle of development be comprised? To what extent is the leadership of the state genuine, democratic and radical enough to carry the responsibility of propagating society to a socialist revolution? To what extent is the national state able to carry out a socialist revolution? These same questions could be generalized to be asked to the bureaucratic ruling communist parties. To what extent were they ready to move towards a de-linking and socialist revolution? How will they begin to educate the popular classes by starting a cultural revolution to cure the masses from the false capitalist culture, i.e. eliminating consumerism? All these are conditioned by and dependent on class-consciousness of the popular classes. Amin however fails to tackle this question and therefore does not define the vehicle of de-linking, except by vaguely referring to a national bourgeois state that should take responsibility for this process (see Part II Chapter III).

Through their studies on the international division of labor, the articulation of modes of production and other aspects of the imperialist economic order, most of these theorists, despite a lot of differences between them, did maintain that the center was deliberately maintaining the underdevelopment of the periphery, and that the socialist revolution was the only way for development (Frank, 1969).

The conclusion that they arrive at is right. As mentioned above, what are the proper socio-political tools needed to embark on this and what is the current state of class-consciousness of the popular class? Who has to lead this revolution? What party? And what form of state regime will be bred from that? Where are the position of the

popular classes in policy and development?

The multidisciplinary research of the World-System Theory focuses on historical studies of the growth of the world-system and on contemporary processes within it. The economic and political interrelations of the core and periphery are the presumed sources of development in the core and the lack of development in the periphery.

World-System literature is complicated by a number of intertwined polemics, which focus on the role of socialist states in the contemporary world system; the probability of a world socialist revolution; the degree to which underdevelopment is a necessary consequence of core development; the effect of various policies on the evolution of the world-system; and whether world-system theory is a useful extension or crude distortion of Marxist theory”⁴⁹. Despite its radical approaches and analysis, the World-System Theory fails to transcend the state’s role in leading development. It fails to grasp the fact that development must be initiated, led and controlled by the popular classes.

Recent Developments:

From Development Strategy to SAP: Debt, Assistance or Re-colonization by Debt

The continuous split of the international world system into two components, the center and the periphery, has never changed by the transformation of some industries to periphery. The 1997 financial crisis in South Korea and other South and East Asian countries showed us to what extent the International Financial Institutions and speculators are able to control and steal the abundance of wealth and resources in countries of the periphery. The last two decades of the debt crisis uncovered a new stratification inside the COP. It has been divided into Newly Industrialized Countries N.I.C, like Taiwan, Hong Kong, South Korea and Singapore; developing countries, like Egypt, Argentina, Brazil and Mexico; and the so-called Fourth world, or the countries of

⁴⁹ World-system theory, by Thomas de hall, in *The Social Science Encyclopedia*, Second Edition, ed by Adam Kuper and Jessica Kuper, 1996, Routledge, Thomas de Hall P.922

famine like Sudan, Ethiopia and Somalia. Peripheral countries are now, more than ever, integrated into the world market. This might help us understand how the non-aligned movement has been disintegrated smoothly and rapidly and why any form of Third World strategy or organization has not replaced it.

Furthermore, the international working capital that has been invested in the periphery has been predominantly invested for the purpose of producing low wages for the oppressed and poorly organized working classes. Since new technologies do not need highly skilled labor, machines are able to produce in the COP at the same level of productivity as the center, but in the case of the periphery, the wages are much lower. The cost per Mexican worker is 69 cents an hour versus at least \$9 an hour in the U.S. The writers who praised the so called the “industrialization” of the periphery has ignored the severe exploitation of the periphery's labor, arguing that it is temporary and necessary as the first condition for developing the periphery.

It might be appropriate to re-call the spirit of the Dependency School that believed that peripheral formations are not ‘stagnant’. In fact, it is the other way around. Today, there is a revolution of production in the periphery, but it is not in the sphere of internal self-development. It is in the sphere of industrial growth in export-oriented industries that are mere branches to the MNCs whose high-tec and capital is restricted to the center. This further confirms the accusation made earlier that the bourgeois of the periphery has ignored the programs of self-industrialization. As Amin states, "The peripheral countries failed to control the process of {their} internal accumulation" (Amin, 1988:24). The crisis unfortunately is much worst. This distorted form of development will increase the chance of failure of the peripheral countries to control their internal accumulation. The regimes in the COP are unaware of their surplus. As the peripheral countries continue to adopt neo-liberal policies, particularly the open door policy, they are in actuality voluntarily giving up their right to control their internal accumulation. There is additional dimension of transferring some industries from the core to the COP, which is shortening the distance of the markets, since now goods have begun being produced in the peripheral countries themselves for exporting purposes.

As a result of periphery adopts the open door policy of opening up their markets

to the core products, the sovereignty and the national ambitions of the periphery's bourgeois deteriorate to such unfavorable levels, that they ignore self-industrialization. The periphery in the end becomes unindustrialized, and the surplus labor power that it possesses is continuously will be prohibited from migrating to the center, as we see in the numerous immigration restriction laws that have been imposed in the center.

The era of globalization has already witness two phenomenon. The first is a competition between the COP for FDI. The second is a competition between the core countries to see who can transfer their products to the COP. One of the aims of the core countries is to block national or regional self-reliance development in the COP and to keep their economies dependent.

Thus, the last crisis in South East Asia helps us to understand that the reason behind it was never only to prohibit the last know-how innovations, as noted early in this chapter by Sivanandan. It is due to the class and financial ties between capital in these countries and capital in the Western developed countries. The sole guarantee of ensuring proper development is to create a popular de-linking movement, one that is much more elaborate than the statist Maoist de-linking system. The last two decades of class 'struggle' in China gives us good evidence the state in China has become a vehicle of the capitalist roaders campaign against the popular classes. What Mahater Muhmad did recently in Malesya is a much-needed objection against the dictates of the IFI and U.S. imperialism, but surely it is not enough. Amongst his downfalls is that he propagates a statist and capitalist protectionism policy.

Since nearly two decades, the international financial institutions are taking the lead in strangling development in about one hundred peripheral countries that have applied its SAP policies of liberalization, privatization, stabilization and institutionalization. The IMF in particular, is still handing out the same catastrophic prescriptions. However, the fact still remains; the regimes of the Third World are the ones mainly responsible for accepting these 'solutions'.⁵⁰ For these regimes, reducing fiscal

⁵⁰ Mark Weisbrot wrote: "How many times can the most powerful financial institution in the world, the IMF make the same mistakes. The answer seems to be: as many times as it wants to. As Argentina teeters of defaulting on its \$150 billion foreign debt, and finance minister Dmingo Cavallo jets all over the world trying to convince the financial markets that the inevitable is not going to happen, there is an eerie familiarity to the whole sequence of events. Think back to November 1998: Brazil's currency was highly overvalued and most economists expected the –peg- its' fixed exchange rate against the dollar- to collapse.

deficits of debtor states often involves freezing wages, mass layoffs of government employees, tax increase, reduction or elimination of politically sensitive subsidies, (often food subsidies) and reducing spending on the social sector.

In brief, these austere measures come at the expense of the popular class. The international institutions are promising the poor that when market economy begins to do well; their regime will improve education and other social areas. But, how will the market economy force this and when? It does not take intense analysis to realize that SAP is a policy applied at the cost of the poor classes for the sake of the capitalist. It is financing the private sector at the cost of the popular classes through less wages, large unemployment and tax increase. We are then promised that these sacrifices will be partially rewarded, as long as this policy succeeds by reaching its financial goals. As Micheal Camdessus, vice director of the World Bank, notes "Too often in recent years it is the poorest segments of the population that have carried the heaviest burden of economic adjustment".⁵¹ However, Mr. Camdessus should not believe that by making such true statements that the actions of the World Bank against the poor are justifiable.

As mentioned earlier, in its strategy for re-producing and renewing itself, capitalism has borrowed a lot of socialist development terminology. The same is done by Camdessus. International institutions, such as the World Bank and UNDP, and most NGOs are using nowadays terms such as sustainable development to concentrate on the deprived segments of society. As capitalist institutions continue to borrow socialist development terminology, it is important to note that the application of these terms is far from being realized. It should be seen as nothing more than a façade for right-wing policy.

In parallel to SAP, a lot of speeches and rhetoric has been delivered about the need for assistance from rich to poor countries. The dangers of this are as follows: First, this assistance is for the ruling elite to strengthen itself over the will of the popular classes. Second, the acceptance of assistance by the ruling elite in the periphery neither

Enter the IMF, arranging the 'rescue' package of \$42 billion loans, and its usual application of leeches to bleed the patient: sky-high interest rates and budget cuts, guaranteed to slow the economy and put the burden of 'adjustment' on the poor"(Znet commentary@tao.ca)May 28, 2001). One year later, the whole Argentina's economy collapsed.

⁵¹ UNICEF. The State of the World's Children, 1989, pp 17-19).

leads to development nor guaranteed real financial assistance that is aimed at helping to realize self-industrialization.

What we are witnessing is the donor countries taking by the left hand what they are donating by the right. "The World's poorest countries share only 46 percent of development aid and only 38 percent of technical assistance. According to the UNDP, the situation is worst. Out of the \$12 billion spent each year on technical assistance, 90 percent goes to pay for foreign experts. We can estimate that these experts are paid between 10 to 40 times as much as a local expert."⁵²

It is disheartening to see Third World countries, particularly the NICs, apply this distorted model of modernization by accepting loans from world financial institutions, such as states from the center and commercial banks, that will almost immediately place them in a large debt problem. According to Goulet Denis, "In South America, the industrialization envisaged by the United Nation's Economic Commission for Latin America, spearhead of the dependence theory, ended up with the countries of this sub-continent paying three times as much as money to import technology and expertise than they had hitherto done to import ready-made goods" (Goulet, 1983).

The following is a decline of income per capita in the poorer countries of the world in U.S. dollars:

Sub-Saharan Africa		Industrial Countries
1980	560	11,000
1988	450	11,000

⁵² Eric Toussaint and Denise Comanne, 1995:12. The following table shows how the donor's assistance is in fact declining following the end of the Cold war, in other words, following the decline of the revolutionary movement in periphery.

	1960	1989	1996	1997
Canada	0.16	0.44	0.32	0.34
Denmark	0.11	0.94	0.04	0.97
France	0.21	0.54	0.48	0.45
Germany	0.38	0.41	0.33	0.28
Italy	0.19	0.42	0.20	0.11
Japan	0.22	0.32	0.20	0.22
Netherlands	0.38	0.94	0.85	0.81
Norway	0.13	0.04	0.85	0.86
Sweden	0.06	0.97	0.84	0.79
United States	0.56	0.15	0.12	0.09

In the 1980s, Third World economies witnessed a sharp decline. Latin America witnessed a decline by 8%, whereas Africa witnessed a decline of 20%, with the situation worsening for both continents in the 1990s. In 1947, the landless Indians witnessed a 25% that horrifically rose to 40% by 1988. Chantey towns composed 25% of Midras in 1960. They systematically rose to 33, 44 and 50% in the 1971, 1981 and 1988 respectively. The Indian state is terminating now the rest of its import-substitution policies to accelerate the privatization process. The irony is that despite of the neo-liberal policies that are adopted by India; it is still less open in comparison to many COP.

The Third World share of foreign international investment between 1950s-1980s was roughly constant at about 25%. But after 1984, the share fell sharply to well under 20% as capital was very unequally distributed. The so-called LDCs are increasingly excluded in the second half of the 1980s, receiving only 0.1 percent of all foreign investment. (Crook Chive, *The Economist* Sep, 23, 1989). Third World share in world exports is not even that much better as this table shows:

	1950	1980	1990
Latin America	12.4	5.5	3.9
Asia	13.1	17.8	14.0
Africa	5.2	4.7	1.9

(Crook, *The Economist* Sep, 23, 1989)

The core/periphery crisis never meant that the gap between the two parts of the world order is going to be bridged or even minimized. In fact, the opposite was the intention: to increase this gap. In 1995, 81.8% of the worldwide GDP went to industrialized countries, which contained 20% of the world's population. The share of world GDP taken by OECD member countries increased from 68.2% in 1965 to 71.1% in 1990 and 82.4% in 1995.

There is no doubt that this is connected with world production and the effectiveness of working people. "The value of world production, calculated in 1975 US dollars, has been estimated at \$580 billion in 1960 for a population of 1.6 billion beings,

(Henri Bartoli, *Rethinking Development, Putting an End to Poverty*. UNESCO 1999, 60

or \$360 per head; the figure for 1975 was almost \$ 6 trillion for nearly 4 billion, or \$ 1,500 per head; and that for 1994, \$25 trillion for 5.6 billion, or approximately \$4,500 per head. Never was there so much wealth, but never were there so many poor people. On 28 June 1996, the United Nations' Economic and Social Council estimated that the numbers of the 'desperately deprived' were increasing by 25 million annually. At the end of 1998 there were 57 million poor people in the European Union. There are 1.5 billion poor people all over the world subsisting of less than one dollar per day. The rapid population growth in the COP is a matter that should be tackled by development writers. It is a source of continuous poverty and continuous increase of surplus labor that press worker's wages down as well as increase their competition.

In the last decade of the 20th century, the world witnessed the collapse of Eastern Europe and the Soviet Union. This, in addition to the deepening of the economic and nearly social crisis in the center of imperialism, reflected in the decline of profit rate and the increase of unemployment, which is documented at 38 million in the EU alone by the end of the 20th century. The real cause of all of these deteriorations is the class issue. As the economic crisis proceeds, it is followed by more class differentiation. In 1994, the ratio of income of the richest 20 percent of the global population to that of the poorest 20 percent were 78 to 1, up from 30 to 1 in 1960.

This brings us again to look into the conflict over terminology and language. Who must use socialist terms, them or us? Where does the problem lie? Is it in the use of terminology? Is the problem a technical one, or is it deeply rooted in the content, structure and function of the capitalist system, the capitalist mode of production, the form of ownership and finally the relations of production?

The question is not in making a large collection of ideas and terms, even if it goes too far from classical capitalism and ignores the "invisible hand." The question is how to use all of these ideas to stop the economic/social degeneration in peripheral societies as well as the center.

If the regimes in the COP are unable to make this distorted model of modernization effective, will the popular classes continue to wait for improvement, or will they seize the opportunity to apply their own version of development? Will the popular classes in the periphery stay neutral in the face of compradoric capitalist regime?

The current world developments argue more than any previous time that the struggle for socialism is urgent. This is why DBPP is more vital than ever.

Is it a Mere Shortage in Development Theories?

To what extent theory is impassable? Is it a right argument that the impasse is persisted into theory not in the forces of social change not to mention the ruling elites, the states or in both? The answer neither this nor that, it lies in the absence of many revolutionary, or forces of social change, when failed to re-examine their beliefs and policies. At the same time, theoretician should be flexible enough to re-coin his ideas.

Did the strategies of development failed? If this is the case, was the problem in their structure, ambitions, analysis or plans? If this is not the case, does the problem lie in the form of states they depend on, or in the principle of the state itself?

But there are other factors and groups, aside from the state, that should carry part of this responsibility of failing development in the periphery. It is the political parties that work in the periphery and former socialist countries that should also be held responsible. Many of the political parties who worked in that era failed to be a real social transformation vehicle that would be able to carry the development mission to its true fulfillment. A striking example is the case of Chile. While the communist party was part of the leftist alliance, it failed to realize that capitalist roaders supported by U.S imperialism would jump on the neck of the socialist regime. In Egypt, the case was the opposite. The communist party opposed the nationalist orientation of Nasser who was highly supported by the popular classes. But, when the Nasserist regime reached the limits of its revolutionary dynamism, the communist party dissolved itself in support of the deteriorating Nasserist regime!. In both cases, the communist parties choose the wrong tactic. It should be noted that the traditional communist current, the pro-Soviet one, did in fact harm the opportunity of success of the development theoreticians who disagreed with the Soviet line. The communists were a strong force on the ground. Accordingly, they were able to minimize the credibility of their Marxist leftist

competitors.⁵³ The traditional communists' argument fluctuated between Marx's theory and the revisionist Soviet theory on the non-capitalist development path and the role of the periphery's bourgeois state in industrialization without considering its fascist and comprador content.

These are good examples that show that the development of the periphery was in the hands of the state. It deploys a confidence in that state! This unfortunately shows us how the class dimension in Emmanuel, Warren, Berch and Kay's analysis was loose, despite the fact that they are arguing from a Marxist point view. A pivotal reason for the failure of most of development writers in theorizing and applying a viable development theory stems from their inability to join and conceptualize political organizations. Had they been party members, these writers might have been more influential.

Western capitalist liberals are never satisfied with dependency school's betting on the national bourgeois state in the COP to achieve development. They criticize the attribution of any role to the state in the periphery, but they are not aggressive towards the role of the state in the center. They want a neutralized paralyzed peripheral state in terms of development and even economic protection. In fact, they want a stand-by state to serve the private sector. Here we can finally grasp the importance of making the state the executive apparatus of class, specifically the capitalist class. The same is for the so-called national economy which is an ideology used to recruit the popular classes to be in the service of the capitalist class' interest⁵⁴. If there is no class economy, there will never be a class struggle.

The western capitalist liberals never saw the state in the periphery as a different one from that of the center in terms of class structure, the era of its existence and its chances to achieve modernization. By this attitude and concept, they emphasize the theory of polarization and placed themselves in the line of the servants of capital of the center in the termination of development in periphery⁵⁵.

⁵³ Kay maintained was not that it was super exploitation but that it was not exploited enough. Geoffrey Kay, *Development, Underdevelopment: a Marxist Analysis*. London, macmillan, 1975, P. x. Arghiri Emmanuel, in 'Myths of Development Versus Myths of Underdevelopment', *New Left Review*, no 85, 1974, p.p. 61-82.

⁵⁴ See Adel Samara, *Iktisad Il-A'khar Ili-Intifada: Iktisad Il-Tabaqa* (The Other Economy of Intifada: The Economy of Class), in *Intifada Mubadara Shabieyah*, edited by a group of writers,

⁵⁵ After ending 1992-93 in Syria, Fred Lawson concluded that "The populace at large evidenced a consistent and growing interest in terminating the 45-year-old war with Israel so that the central administration's attention could be focused on measures designed to...promote economic growth within

What is common between the writers of development and the modernists is that the state is always viewed as the motivator and instigator of development. This is why their ambition is limited to economic growth on the micro scale, i.e. beneficial only for the selected few. Here lays the tragedy of development theoretician not that of modernism. For instance, when the national state in peripheral countries deteriorated towards compradorization, Dependency theorists lost their legitimacy. Those who gained were the modernists, who lately also lost their legitimacy and importance as neoliberalism insisted on the termination of the state's role in the economy altogether on the one hand and for a free hand of the capitalist class on the other. Here we see the role of state in protecting capital. In this context, the state's role has been minimized to the functional level: a level of instrument. This is clear by liberal and World Bank experts who want the state to work only when there is a problem. They want democracy, but without the redistribution of wealth.

In the era of the world revolution's defeat, to tackle development from a scientific and militant, not a mere academic and neutral point view is a difficult task. However, it is the most proper approach. All development and modernity studies have touched human nature, and put human service, such as peace and luxury, as its goals.

My aim of this research is to answer the following:

1. Why must development be initiated by the masses?
2. Why the state is not the proper tool for development?
3. How to achieve permanent development on the one hand and how to keep the post liberation movements, revolutions and development generations loyal and related to the revolution's morals and achievements?

Syria itself". Domestic Transformation and Foreign Steadfastness in Contemporary Syria," *Middle East Journal* 48, no. 1(Winter 1994), p63). Quoted by Ibrahim Karawan, Arab Dilemmas in the 1990s: Breaking Taboos and Searching for Signposts, in *Middle East Journal*, Vol 48, No. 3. Summer 1994. If this what Lawson release for publishing, it God only who knows what he wrote in his secret reports to the CIA and FBI and other U.S. Intelligence services devoted fn the service of capital and the Ashkinazi Zionist entity (Israel).

This is not an attempt to lessen the importance of the fact that the old pioneer generation of the revolution must understand the needs and changes of values of the post-revolution's era. They must understand that the enemies of the revolution, the bureaucratic state, consumerism, and the capitalist roaders, are invading the consciousness of the post revolution's generations. Most, if not all, writers on development and modernization have dealt with the role of the state in development. There was a certain degree in their confidence in the state's role as the motor of development. Some of them discussed development from a class perspective, but still attribute the leading role to the state, but little, if any, of them dealt with the role of political parties in development. Any writer, who considers the state as the vehicle of development is in fact giving up to the ruling class, party and its supportive intellectuals, becoming the organic intellectuals of the ruling class. This produces what seems as an eternal capitalist system as it becomes successful in integrating a portion of the popular classes into its realm. The development that followed the bureaucratization, degradation and disintegration of the Soviet Union, emphasizes the threat that is contained within the state. It seems that the differences and borders between all forms of states here and there, i.e. states in the center, the periphery or the 'socialist' countries, has become limited. There is an official global hierarchy that is based on international class interests at the expense of peace and luxury for the popular classes. To the author's knowledge, none of the writers have based their theories on the popular classes. From this concern, comes the necessity of a revolutionary model for development that works beyond the state's control; Development by Popular Protection (DbPP).

Chapter Three

Class Is the Decisive Dimension of Development, Not Culture

A Definition of a Changeable Term!

Development deals with social, economic, political, and cultural aspects which in the end based on the class, considering that any economy, in essence, is the economy of a

class, not of the whole people. This concentration and emphasis on the class dimension is aimed at confronting the arguments of the bourgeois and the renegade Marxists who are always, under the rejection of materialist reductionism, working hard to hide, ignore and neglect the class dimension of social struggle. These arguments try to ignore the class differentiation inside social formations in the world in general and in the peripheral formations in particular. Accordingly many writers concentrate and even exaggerate the role of culture and devote a large amount of their works against the Soviet and Chinese socialist revolutions, and all internationalists in the world as the fighters for the popular classes' emancipation, while hiding these attacks by concentrating on the defects and faults of these revolutions.

This chapter discusses culture in its relationship with development. No body could pretend that he designed a totally accepted definition for culture. Some call it the superstructure, and some call it culture. It contains a certain system of believing, behavior and ritual that explain to a society what is right and what is wrong, and what is possible and what is not, and explain the behaviors determinants for these beliefs. Human beings accept their cultures voluntarily, not by the power of law.

Culture is a way of life, is that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits, acquired by human being 'male/female' as a member of society. Accordingly Culture is a common and social, not individual issue. It can't exist and develop out of others or without them. Human beings create their culture as a group. Each human being is able to produce a theory in certain area of pure science and/or social sciences, but as an individual he can't create a culture. While culture is always attributed to societies, nations, but it is not limited into this large level. Each social class has its own culture which reflects its own common class interests.

Marxism and Culture

"The communist revolution is the most radical rupture with traditional property relations, no wonder that its development involves the most radical rupture with traditional ideas"⁵⁶ The base of this discourse is the change. Every thing is changeable, nothing eternal including culture. This is a basic law of communist theory, of dialectical materialism.

According to *The Dictionary of the Marxist Thought*: "Lenin and Trotsky, for the emergence of a socialist culture was a long term prospect, whose foundations had to be set by the extension of literacy and education and the creation of a new socialist intelligence, which would take up and incorporate what was valuable in bourgeois culture (just as it would incorporate the more advanced methods of work organization, such as Taylorism). The concept of Cultural Revolution was taken up in the GDR and other socialist countries in the 1950s. In China, however, the cultural revolution of the 1960s attacked the bourgeois culture by the spirit of the radicals against whom Lenin's polemics were addressed. ... Western Marxism is generally seen as beginning with Luka'cs and Gramsci, and this is certainly the starting point of a tradition which has been very much

⁵⁶ Marx and Engels, *Manifesto of the Communist Party*." In *K. Marx and F. Engels Selected Works*, Vol. 1. Moscow: Progress Publishers, 1973.1848, p. 126.

concerned with questions of culture; indeed it is hardly too much to see them as the twin progenitors of subsequent work in this area...Luka's defined culture in opposition to civilization as 'the ensemble of valuable products and the abilities which are dispensable in relation to the immediate maintenance of life. For example, the internal and external beauty of a house ... in contrast to its durability and protectiveness'. Culture in this sense is destroyed by capitalist production for the market and since 'the sociological precondition of culture is man as an end in himself, a new culture, whose features are at present unpredictable, is only possible with the coming of socialism⁵⁷'.

The importance of Luka's argument is not limited into the possibility of building a socialist culture. His argument emphasize that culture is changeable. Capital's role never being limited in the destruction of culture. It goes beyond that to use culture for the justification of colonialism and later globalization. The early Zionist leaders and founders were marketing their colonial project in Palestine as it will be a wall separates and protect the western civilization from the barbaric east. In fact what they brought is bloodshed, racism and blocking development of the Arab Homeland. Today, the U.S occupation army in Iraq pretends that they brought democracy to the Arab people, and other western capitalist imperialist regimes pretend the same, but did not send their forces to share in the occupation of Iraq until the United States promise them of larger share of the wealth of Iraqi people. The colonial culture of the capitalist west did in fact made the United Nations captured for their capitalist interests in the Arab Homeland as long as the U.N accept the U.S/British occupation of Iraq. Culture became for capital a vehicle to market the capital's value of consumerism in the COP.

As long as Lucka's considers "man" an end by himself, he saves culture from the attributed arbitrary bourgeois definition for it and devotes it for Man. In this sense, Lucka's put an early premise to Che's project of creating a New Man, the socialist man, not only the Cuban socialist man.

The aim of this chapter is not to discuss theories of culture. It is to examine culture in the practical life. Gramsci was more than any other who treated culture far from the abstract. His approach relates culture with the class issue:

" This approach is echoed in Gramsci's critical look at literature, folklore and the relationship between popular and 'high' or 'official' culture which had to be analyzed from the point of view of how intellectuals as groups related to the mass of the population and the development of a national-popular culture." (Bottomore, 1983p: 223). Here Gramsi uses culture from a political, militant, class approaches, not in a descriptive, vague or contradicted manner.

"The same phenomenon is being repeated today in the case of socialism. It was through the critique of capitalist civilization that the unified consciousness of the proletariat was or is still being formed and a critique implies culture, not simply a spontaneous and natural evolution... It is true that universal history is a chain made up of the efforts man has exerted to free himself from privilege, prejudice and idolatry, then it is hard to understand why the proletariat, which seeks to add another link to that chain, should not know how and why and by whom it has been proceeded, or what advantage it

⁵⁷ A Dictionary of Marxist Thought ed. Tom Bottomore, Laurence Harris, V.G. kierman, & Ralph Miliand, Blackwell, 1983, p.p. 110-111.

might derive from this knowledge”⁵⁸

Trying to place ideology and culture properly in the social life Althusser argues that: ideology amounted to more than false consciousness and played a real role in social life, especially through culture and social reproduction of capitalism.

Liberalism and Culture

Despite the obvious increase of capital wilderness in both the center and periphery of the World Order and despite of the widened gap between both of them to the extent that the chance for periphery’s catch-up to the center became impossible through the modernization approach, the last decade witnessed a lot of writings that deviated the issue of development from its socio-economic and political context. These writings ignored the class’s core of development and the national dimension in the COP as well. They deviate the discussion far from class struggle, center/periphery, North to South, East to West ... etc to devote most of the concentration on culture. Some of these writers, i.e. Samuel Huntington, reduced the conflict between center and periphery to the level of religion despite of his known trick to hide this side of his argument and to pretend that he talks about the “Clash of Civilizations”.

It should be emphasized that it is not the aim of this argument to downsize the importance of culture. Its aim is to place the issue of culture in its proper place in the context of production and class struggle. The class dimension is the decisive factor in any development strategy. Every strategy is designed, and/or adopted for the sake of a ruling class or class alliance (with other classes, social factions and even some individuals), accordingly all arguments of bourgeois theorists, media activists, politicians ...etc are devoted to ignore the class dimension.

While development should take place in a socio-economic formation, in a nation state, in this period of time, the target of development are popular classes, i.e. the majority of people who have real interest in development. The most striking obstacle that hinders the progress of development is that when the oppressed enter the evaluation that produced by their oppressors. “...Self depreciation is a characteristic of the oppressed, which derives from their internalization of the opinion of the oppressors’ hold of them”⁵⁹

Here comes the importance and necessity of the counter re-education the cultural revolution of the oppressed people against the oppressors goals to push the oppressed towards internalization of defeat. The internalization of defeat is an issue, a result of a weak class’ consciousness, not of culture or at least not of culture in the first hand.

The Culture of Racism and the Issue of Development

It is necessary to differentiate between the objective circumstances and the external factors which lead to the failure of development on the one hand and the attribution of underdevelopment and poverty of development to the disability of some

⁵⁸ Signed Alfa Gamma, IL Grido Popolo, 29 January 1916. SPWI, 10-13 Quoted in The Antonio Gramsci, *Reader Selected Writings 1916-1935*. Edited by David Forgacs. New York University Press, 2000: 59).

⁵⁹ Cited in Colm McCarthy, ‘Thinkers and their Thoughts’ Paulo Freire and the Educating the Oppressed, *Washington Post*, July 31, 1972.

racism to work or its hate to the principle of work and production on the other.

The western liberals insist to attribute the well of work to some races and followers of some religions. This form of thinking is racist and aimed at justifying colonialism in its various aspects.

“Economic growth depends on attitudes to work, to wealth, to thrift, to having children, to invention, to strangers, to adventure, and so on, and all these attitudes flow from deep springs in the human mind. There have been attempts to explain why these attitudes vary from one community to another. One can look to differences in religion... or one can look to differences in natural environment, in climate, in race, or failing all else, in the accidents of history. (Lewis, 1955:14)

The racist education and ideology led Lewis to blindness attitude towards human history. Most of the Third World nations (China, India, Arabia...) built their own civilizations because they were working hard, accumulating wealth, inventing, adventuring...etc. The same way of thinking that led Lewis to be blind towards the imperialist role in the Third World. He defined the role of the imperialist domination as nothing more than figment of a few radicals' imaginations, because “the richest countries tend to be peaceful, enjoying what they have, and enjoying none” (Lewis, 1955 371). What Lewis failed to observe and understand about imperialism, has been deeply absorbed and rejected by Hobson. Hobson was the earliest who criticize the Boer imperialist war in South Africa in the last decade of the Nineteenth century (Hobson, 1895).

“Edwards Long as a resident of the British West Indies at the height of sugar plantation who justifies slavery by cleaning in his *History of Jamaica*, that Africans belonged to a different species from Europeans and were ‘brutish’, thievish, mistrustful, and superstition’⁶⁰. This reminds us of what Adam Smith and David Ricardo wrote two centuries ago. (See Chapter Two)

Mehmet tackled a sensitive issue regarding cultural racism as a main stream of Euro-centrism in the writings of the western capitalist economists:

“...Public investment for List, private investment for Ricardo, was the trigger for economic development to make their nation rich. This, in the final analysis, is what places economic nationalists like List and free traders like Ricardo in the same Eurocentric framework. Lists Eurocentricity was explicitly stated when he ruled out any prospect for non-European, such as the ‘Asiatic people’ of achieving autonomous civilization or progress’ (Mehmet, 1995:53)

“For all that it has projected itself as trans historical and transnational, as the transcendent and universalizing force of modernization and modernist, global capitalism has in reality been about westernization– the export of western commodities, values, priorities, ways of life. In a process of unequal cultural encounter, ‘foreign’ populations have been compelled to the subject and subalterns of western empire, while, no less significantly, the West has come face to face with the ‘alien’ and ‘exotic’ culture of its ‘other’ globalization, as it dissolves the barriers of distance, makes the encounter of colonial center and colonized periphery immediate and intense”⁶¹ The issue here is while the west export commodities, way of life and culture, this have nothing to do with the enhancing of development in the COP. In fact it is working for the opposite. Even if the

⁶⁰ Quoted in Harris. M. *The Rise of Anthropological Theory of Culture*. Crowell: New York 1968:89

⁶¹ (Robins. K 1991, quoted in Stuart Hull, The Question of Cultural Identities, in *Modernity*, p. 625)

West pretended that, the experience proves the opposite. The first and final aim of the capitalist West was to export its commodities and got the highest rate of profit.

Culture as a Tool for Racism, the Eurocentricism

The liberals are always trying to attribute development to the western culture and to capital. According to Gouldner, Comte wrote: “at the juncture between political economy and sociology, where culture and capital mixed and were interchangeable, and where one might say that either capital or culture was the ‘basis of social development’” (Giddens, 1987:265)

To attribute development to western capital and culture is an indirect way to build a base for discrimination against countries that still underdeveloped i.e. doesn't have capital, doesn't fully capitalized or that capitalism did not emerge first within its boundaries. And accordingly, as long as the non-western countries didn't capitalize, they will not be able to develop proper culture. In their best cases, it must import capital and culture from the western countries as Giddens argues. In the final analysis, this is a justification of colonialism that never allowed development in the COP who was always accused of a defect in its culture or in its inability or incapacity to capitalize. In addition to that, this racist theory ignores any other road for development except capitalist modernization.

The western racists attribute the understanding capitalism, (as mode of life, mode of production, administration and culture) to white people only. Following the September 11, 2000, events in the United States, many western capitalist, politician and intellectual racists pretend that the Third World people “hate” the west because their countries failed to catch-up, to become developed capitalism and to “enjoy” capitalist's life.

Joseph Kahn, wrote: “The Marshall plan may have required \$13 billion (\$88 billion in today's dollars) in American aid, but western Europeans understood capitalism, and the language and cultural barriers were relatively minor”⁶² There are several communities from the Third World in the western capitalist countries many of them are stories of economic success. Does that change the racist's mentality that attributes capitalist success to western Christianity? Does that clarify to them that when people find proper and equal conditions and circumstances, they will succeed no matter in what field, what is their origin, religion and culture.

“Even Max Weber's famous attempt to claim an independent role for idea's concentrated upon the conditions that initially gave rise to capitalism, rather than proposing a continuous role for a partially autonomous modern culture”⁶³. As Amin noted, the ideas meant by Weber are the Protestant Ethic, which according to himself coming from Christianity and Christianity for him is the “westernized” Christianity. This is in fact a hijack of Christianity from its place of born, the Arab Homeland.

From here, we could follow the line of the racist European ‘merge’ of fundamentalism and capitalism to reach the goal of the ‘uniqueness of the West’. The first step of this process started by a deliberately designed process through which west hijacks Christianity. Under the religious umbrella the westernized Christianity, the Feudal

⁶² Joseph Kahn, *New York Times*, 14-10-2000.

⁶³ Anthony Giddens 1987 quoted from, Max Weber, *The Protestant Ethic and the Spirit of Capitalism*. London: Allen and Unwin, 1976”

Europe launched the Crusades⁶⁴ war against the Arab Orient to establish kingdoms for the ‘surplus’ European princes who failed to find a space in the limited area of Europe. The justification of these wars was the ‘liberation’ of the Christian holy places from the Arabs⁶⁵ as if the Arab Homeland doesn’t belong to the Arab, as if they occupy it and accordingly as if Christianity has been ‘occupied’ by Arabs. This same reserve, of princes, that Europe failed to export them, to save emirates for them, or to settle them in the Arab Homeland during the Crusade campaigns, finally succeed to occupy Americas (especially what so-called later the United States of America), and to practice the most large and brutal massacres in the history of human kind⁶⁶. The white racist capitalist culture that breeds through the geographic discoveries is the same that goes in parallel with colonialism, imperialism and globalization. The main difference between the Crusades campaigns during the Feudal era, and those during capitalism, imperialism and globalism, is that the crusades represent the Feudal interests, but colonialism, imperialism and globalization represents the interests of capital. Both of them use the religion, politicized and backward understanding of religion to justify their aggressions. That is why it never was a mere mistake from the United States president Geprge.W.Bush when he describes the, few days after the attacks of 11th of September 2001, U.S aggression against Afghanistan as a “Crusade War”. The Italian Prime Minister has deliberately delivered the same racist attitude few days after the U.S president’s speech. Both of them apologized, but this never changes the truth⁶⁷.

Following an example of how racism justifies genocide of non-white peoples. According to the British economist historian E. E. Rich:

“It has been reckoned that at the approach of the Spaniards, in 1492, total Caribbean population in Hispaniola was about 300,000. By 1508 it was reduced to about 60,000. A great decline had brought it to about 14,000 by 1514, as serious settlement began; and by 1548 it had reached a figure which indicated virtual extermination, about 500”⁶⁸

The rest of the up-original population of Americas, are living now in isolated places. If the Crusade campaigns did not failed, the Arab Home land might be in the same

⁶⁴ In the Arab Homeland, it is called the *Ifrang* invasions. The aim is to show that it wasn’t a war between Christianity and Islam.

⁶⁵ The same pretend of liberation of the holy places lies behind the western capitalist attempts to build a Christian European Colonies in Palestine in the 19th century. The same goal transferred in a support for the Zionist settler colonialism in Palestine since the end of the 19th century up till now. That is why, the Ashkinzai Zionist Entity is a representation of the common interests between Zionizm and colonial/imperial capitalism and their Eurocentrist culture.

⁶⁶ The white settlers, especially in North America, did purged huge number of human beings as if they use nuclear bomb! That is why, the United States ruling capitalist class, easily used it against Japan in the World War II. The reason why they used it easily and the United States people did not protest against their government because of using the nuclear bomb is to large extent due to the inherited culture of racism and violence. This culture became a culture of declared terror.

⁶⁷ Following September 11 events in New York, an infinite wave of cultural enmity against Islam and Arabs has been launched. It is started from the president of the United States to the ordinary citizen in a the supposed to be a peaceful state like Sweden.

⁶⁸ . (Rich, quoted in Griffin, Keith. 1973. *Underdevelopment in History*, n *The Political Economy of Development*, ed. Charles K. Wilber. New York: Random House. Quoted in *The Political Economy of development, Development Theory and the Prospects for Change in the Third World*, Berch Berberoglu, State University of new York, 1992. P. 18)

situation of the Red Indians in the North America⁶⁹. However, the Palestinian people and the Arab nation still suffering from Zionist Ashkinazi Entity- Israel (ZAE) the Jewish settlers state in Palestine as one of the last of its sort in history⁷⁰. The U.S and European support to the Israeli occupation of Palestine, eviction of its population, killing of the Palestinian people including children, proves that ZAE is a direct western capitalist colonial mission in the region in terms of exploitation, the culture of killing other races and the devotion of all other human beings for the whites!.

These racist ideas are the heritage that Eurocentricism based itself upon: “In this domain, Eurocentricism rests upon theology. Namely that, entire history of Europe necessarily led to the blossoming of capitalism to the extent that Christianity, regarded as a European religion, was more favorable than other religions to the flourishing of the individual and the exercise of his or her capacity to dominate nature”(Amin,1988:85).

The Second step in this process is the Western capitalism’s insistence to attribute secularism to Christianity vs other religions. From this “uniqueness” of Christianity, their aim was to justify the uniqueness of the capitalist West as the last goal.

Amin argue against those who attribute secularism to Christianity as follows: “Secularism is the direct consequence of this new autonomy of civil society, for entire areas of social life are henceforth conceivable independently of one another. The need to satisfy metaphysical yearnings is left to individual conscience, and religion loses its status as a force of formal constraint. Contrary to a widespread Eurocentric preconception, however, secularism is not peculiar to Christian society, which demanded is liberation from the heavy yoke of the church... Nevertheless, the new fusion of church and state does not produce a new theocracy, but rather, one might say, a religious secularism. Secularism, even though it was fought by the reactionary eclectic forces, did not root out belief” (Amin 1988, p. 82). To push Amin’s analysis forward, what happen was more than fusion of church and state, it is the annexation and subjugation of church and state to capital. It is the capitalization of the church where the clergy become part of the organic intellectuals of the capitalist class. The emergence of the new and conservative right, the Evangelists, the Christian-Jewish current in the United States is a striking example.

If we look thoroughly at the New Right in the United States, their mad motivation toward Armageddon battle tells us that we are facing a capitalization and Zionization of Christianity. The last, but more obvious, mixture of Evangelism with Zionism is the joint aggression of the U.S, British against Iraq, which highly motivated by the ZAE colonial state, Israel. The Armageddon battle is in fact not for culture and religion, but for oil!

The third step was Western hijacking of the Greece civilization, the issue that according to Samir Amin, Bernall confirm its fallacy.

“Martin Bernal has demonstrated this by retracting the history of what he calls the “fabrication of Ancient Greece”. He recalls that the Ancient Greeks were quite conscious

⁶⁹ One might remember here the mentality of Preist Malthus who suggests wars, famine and epedmic as solutions for humen beings high growth as an example on inhuman capitalist way of tackling the issue. When the capitalist Europe realized that the solution of the surplus population no more possible to resolve by creating white settler settlements, it goes to birth control. Even this created its side effects. The exaggeration of birth control led to a minus population growth. The solution came as a racist one as well, which is to buy stolen children from the poor Third World countries!

⁷⁰ The *Christian Science Monitor* published an article by the Israeli Minister of Tourism stated that the best solution for the Arab-Israeli conflict is to transfer the Palestinians to Jordan.

that they belonged to the cultural area of the ancient Orient. Not only did they recognize what they had learned from the Egyptian and the Phoenicians, but they also did not see themselves as the “anti-orient” which the Eurocentricism portrays them as being” ...Bernall illustrates how the impulse to remove Ancient Greece from its Levantine context forced linguistics into some dubious acrobatics”⁷¹.

Eurocentricism is not limited into the right wing in the capitalist west. Sartre wrote that Dialectical thought is as old as Western civilization itself. From Heraclites to Hegel this world view of human reality as a contradiction-ridden process of conflict and change has had many able proponents.⁷²

The deformation of the origin of the Greek civilization has been used by the capitalist West as a tool to hijack and dominate Christianity. Then they attribute capitalism to their, the artificial western Christianity, and limited the chance of capitalism reaching in Europe, and later the white settler colonies only. Based on this, it became clear that that needs to develop must follow their route, if he needs to succeed. If not, they, the West, will delegate to him their experts. If not, he must continue as their dependent. If he did not become dependent volunteer, the West will submit him by force. This is what has been proclaimed in the recent foreign policy of the United States, which went beyond the policy of containing the radical regimes in Iraq, Iran, and North Korea to contain them by force. The destruction of Iraq, Serbia, Afghanistan are mere “simple” examples and even beginnings.

It should be noted here, that if capitalism could only rise in the West and only absorbed and mastered by it, why the West is ‘pretending’ that it likes to expand it, capitalism, to the East who is unable to accept, to absorb it!. This confirms that periphery’s “ambition” to become similar to the core to catch-up before transcending the blocked development is no more than a way for making dependency permanent.

For instance, what Huntington as a racist bourgeois writer always try to prove that peripheral formations are aggressive and a danger to the West. He is trying to subjugate, and colonize these formations by attribute to them that artificial aggressive culture. He represents the hypocrisy of the center. He supports the pretence of ‘uniqueness’ of the West by insisting to change the Third World, but, in this context, not from a humanitarian desire but from the accusation of the Eastern culture as aggressive and a threat against the West. Perhaps he is the most well-known and provocative writer on cultural causation. Huntington who earlier profess that Third World modernization was both desirable and inevitable, in the 1980’s suggested that non-Nordic cultures might prefer austerity, hierarchy, and authoritarianism to wealth, equity, and democracy. In the 1990s, Huntington was arguing that the most important distinctions among people are cultural, that the newly emerging axis in world politics is between the west and the rest, and the greater threat to world peace in the foreseeable future will be that of civilizations. The civilizations he sees as most likely to pose future threats to the west are the Islamic and

⁷¹ Amin, 1989, p. 92) Quoted from Martin Bernal, Black Athena The afro-Asiatic Roots of Classical Civilization. Vol. 1

⁷² Arthur Hirsh, *The French New Left: An Intellectual History from Sartre to Gorz, May 68* , South End Press, Boston, 1981.p.66.

the Chinese⁷³. In fact racism has no limits. Huntington wrote that Hispanics, and especially Mexicans who so many annoys him, have, “little use for education... lack of initiative, self reliance, and ambition⁷⁴!

Huntington mixes civilization with culture. He mixes civilization to the level of culture in both its level and role. But civilization is not a national or ethnicity issue, it is universal. While Huntington treats it as transnational, he failed to see it universal. He attributes it a vague identities, i.e. East, West or Islam. In fact, what he is trying to serve by all what he wrote in this field is the Western capitalism that is looking always for an excuse to start wars. War is a permanent necessity for capital because capital is always competing, and mainly fighting, for profit. To acquire profit, capital launches wars which bring destruction, and destruction needs rebuilding or re-construction. The final end of that more money circulation and more profit. This is the evil circle of capital.

Huntington’s attitude based on what he believes that the base of contradiction is culture, and this contradiction is eternal. His approach is politically biased and lacks scientific academic and theoretical support. He started his argument on modernization from the approach of the ruling class ‘the capitalist imperialist state that pretends that there is a common culture for whole nation. In western capitalist countries, there is a pretend that there is a common western culture, to negate the class base of culture itself! His aim is deliberately designed to cover and transcend the U.S ruling establishment aggression, wars and exploitation all over the world. He went further to show that periphery is a threat to the center. This form of writings can’t be separated from intelligent services’ and state department reports writers. This uncover how much it is dangerous the relationship between the U.S regime, the ruling class, and the intellectual and academic circles. In such case, the academic people are designers of imperialist hegemony over the Third World. In addition to the incorporation of many academic Americans, the United States regime’s, ruling class, concentration to hunt the Third World intellectuals to work for the capitalist center is very dangerous and interesting issue. The work attracted them is in different levels, i.e. to write direct reports, to conduct researches, to praise Western democracy...etc⁷⁵. The aim of this recruitment is to offset the revolutionary spirit and role of these intellectuals so as to terminate the potential contribution of intellectuals in Third World. But the case of Huntington is that he is going too far, he is a warmonger. He is a striking example how the academic people became anti scientific research, tools for the ruling class, the politicians, and even writers of reports to the Intelligence Services themselves. Huntington is the academic, political, cultural version of the Evangelism. And both are in the service of capital.

Again, our argument is not to negate the role of culture in development. It is to

⁷³ See, Samuel Huntington, and Myron Weiner, eds, *Understanding Political Development* (Boston: Little, Brown and Co., 1987, p.p 21-28, and, Samuel Huntington, “The Clash of Civilizations” in *Foreign Affairs*, 72, no 3, Summer, 1993. This sheds light on the policy of Bush administration that delegating a lot of money to the religion’s institutions to do part of the government’s duties, a policy that push the society more towards right.

⁷⁴ Gretchen Small, “Huntington Raves Again: Watch Out for a New Cheney War!”, in *Executive Intelligence Review*, March 12, 2004 Vol. 31 No. 10 pp 9-11

⁷⁵ A report published by the British newspaper, *Socialist Resistance* April 2004,p.14, noted that the Universities in the UK spy on overseas students, and quoted the other British paper *Daily Telegraph* that in many large universities it is official policy to have a senior academic who liases with the security services and police about students they suspect are carrying out undercover activities.

uncover the racist use of culture as a tool to justify colonialism and finally underdevelopment, or capitalism's polarity. "Renan was one of the earliest racist writers who claims about the 'monstrous and backward' character of Semitic languages, oppose to the 'perfection' of European ones" (Amin,1989:95).⁷⁶ This is a negation of the unity of the world, any form of unity.

For the political Orientals, change in Arab-Islamic society never came from inside itself, it a western, it is a signs of awakening caused by the west...the Arab identity, mentality and personality are stagnant⁷⁷.

Giddens stand at the same Euro-centric position. But he uses his own terms to carry his position and analysis, which argues that pre-capitalist culture is not enough. He argues that the pre-capitalist cultures are not historical, not modern and even backward. Accordingly, he ends as a justifier for colonialism's return. Giddens start supporting his theoretical argument by confirming the relationship between capital and culture.

"Hot cultures exist in dynamic interchange with their environment, and mobilize themselves internally in the pursuit of social transformation. Modern culture very substantially accelerates this dynamism. Modern culture very substantially becomes the linear of dates; within which certain forms of change are mapped out Oral cultures are genuinely 'pre-historic' where contrasted to such dynamism. For them, time is not mobilized as history. The writing of history is thus associated with that very historicity which separates hot cultures from their oral forerunners"(Giddens, 1987:95-96) Giddens continued, "About culture not only one which introduces 'history' as the means of interpreting the past so as to shape the future. Hot cultures also involve an accumulation of power, made possible by the 'stretching' of time-space organization"(Giddens, 1987:148) He adds: "There are three respects in which you treat oral cultures as inferior to civilizations, and particularly to the modernist West. Oral cultures involve closed world views which fail to distinguish the three 'worlds' you see as integral to rationality"(Giddens, 1987:249) "Second, the idea that the prime objects of study of sociology are clearly distinguishable 'societies' is not consistent with the character of pre-modern oral cultures and agrarian states –those 'societies' in other words, in which human beings have lived for by far the greater period of their history. Agrarian states were normally heavily segmented, internally heterogeneous, and had diffusely shaded 'frontiers' rather than 'borders' in the modern sense" (Giddens, 1987:32) What Giddens trying to prove is that non-western capitalist societies are absolutely backward. All their aspects of life are against development.

Racism with Leftist Cover

In their interpretation of the periphery's underdevelopment, some western writers

⁷⁶ It is strange why the Zionists did not accuse Renan as anti-semitests! Or do them selective. See also, Hussein Mriweh, *Al-Naza'at Al-Madiyah fil-Falsafah Al-Arabiyyah Al-Islamiyyah* (The Materialist Inclinations in the Arab-Islamic Philosophy) Dar Alfarabi, Beirut, 1979, Second Edition, p.p.113-171.

⁷⁷ See Muhsen Jasim ah-Mosawi, The Political Orientalism: its propositions and deductions, in *Al-Istihraq*, no 3, 1989, Baghdad. Al-Mosawi noted that the influence of this attitude towards Arabs and Muslims is clear in the interpretations of western journalists like Thomas Kleman, see his book, *The Arabs* (Dphere Books: London, Abacus Books, 1978), p.133.

attribute and limit this backwardness to the West's impose of its culture over the COP.

According to the theorists of western cultural superiority, development requires programs that will instill proper values (western capitalist values) in individuals and modernize institutions; in the process, these countries will then eventually evolve from the state of traditionally to that of modern society. But following the failure of 'develop' or 'modernize' the Third World the same modernists, argue that, as in (Verholt, 1990), (see later) for the Third World to develop, each people or community must return back to its own culture. In both ways, the white capitalist imposes himself to think on behalf of other peoples. This is not the place to argue what is the reason behind the dis-industrialization of the agrarian societies. This will push us back to capital and its polarity and the center-periphery contradictions. The issue is not that the West was agrarian and industrialized but, that, it is against industrializing others. To maintain the COP underdevelopment, the capitalist west always supported by certain classes of the COP, the comprador capitalist ones.

The continuous failure of development in the COP led some Western writers to call for the peripheral countries to go back to their culture as a mechanism for successful development. This uncovers two problems: The first is a racist one. It means that the COP unable to develop in a capitalist manner, unable to meet the conditions of being capitalist or conceptualize capitalism. And the second is that these writers failed to understand the fact that the blocked development in periphery caused to a large extent by the same capitalist center that pretend that its aim was to develop the COP in a capitalist manner.

A leftist's viewpoint argues as follows:

"Cultural theories of social life are now ascendant in the social societies, and in some hands, the discovery of culture, and its pre-eminent in the interpretation of social life, is treated as something of an intellectual revolution. In fact, culture has been an important element in most interpretations of the development of the welfare state. Culture also figures largely in theories of industrial society... A variant on this argument is that industrialization generates a tendency towards cultural homogenization, or a tendency toward 'mass society', which fosters the incorporation of once marginal groups and communities by means of expansion of welfare state programs" (Fox and Cloward, 1993:415-16)

This is an exaggeration of the welfare state. It is an approval that culture is essential or the determinant factor for development. But, in the welfare state, what domains is the culture of capital which never create social homogenization between social classes. The same is between nations, when the culture of the capitalist west domains, it became the culture of the capitalist classes in other nations more than it is a culture of all classes even despite the hegemony of the capitalist mode of production's productive, distribution and consumer relationships. Facts of life proved that while many societies subjected to colonialism, they maintained their own cultures. The case of periphery is different. Its development was and still blocked by the core. According to the blocked development, concretely industrialization, freedom and democracy in the capitalist manner has been blocked as well. As long as there is no real industrialization, the periphery's rulers will not face the challenge to be liberals politically, because industrialization obliges the ruling class to issue laws that guarantee some freedom for the working class. In other words, the infrastructure did in fact breed a super structure

proper to its level of development and to its demands. Without this freedom, the workers will go to strikes, as a step in class struggle. The minimum result will be the delay of the production line. One might argue that despite of the current transfer of some industries from core to periphery of the World capitalist system, the regimes of these peripheral countries did not liberalize. Any ways, this related to the level of industrialization of periphery, in breadth and depth, and to what extent this mobilization of industries is a real industrialization. This in addition to the fact that the high level of unemployment and the high population growth rate continuously provides capital with cheap labor and a reserve labor army which, because of its shortage for class consciousness, is ready to be a strike breakers. Even if this process will industrialize periphery, the popular classes will never achieve rights and liberties without a class struggle. It should be noted that the western proletariat never gain any rights without a class struggle. Even today, the core capitalist regimes launching a class campaign against the gains of the popular masses. One of the aspects of fight back by the popular classes there, are the anti globalization activities.

Without industrialization, in a capitalist manner, the possibility of different cultures, cultural variety still possible more. But, to attribute cultural harmony to industrialization means two points: The first is that the cultural homogeneity is not exist in the pre-industrialized societies, and the second is that the industrial society of the welfare state have an internal absolute harmony and that there is no class differentiation inside it. This form of understanding of a capitalist society is a totalitarian one.

Egaleton puts the issue in its concrete context, the class context, doesn't care, if the society is a capitalist or not:

"As Terry Egaleton has put it, "men and women do not live by culture alone; the vast majority of them throughout history have been deprived of the chance of living by it at all, and those few who fortunate enough to live by it now are able to do so because of the labor of those who do not" ⁷⁸

Some western leftists launched a camouflaged campaign against Marxism more than the capitalist modernization supporters did. This became clear when these writers pretend that both, the socialist and capitalist models are equally non-applicable in the peripheral societies. To justify their campaign some of them exaggerate the potentiality of the Third World cultures in development. Verhelst argues:

"All the models whether left-wing or right-wing have been based on western preconceptions. The indigenous culture Third World peoples have been largely neglected. There is an urgent need to pay much greater attention to these than we have in the past. They must be studied much more closely"(1990:22).

The clear aim of this exaggeration of the role of culture in development is to encourage the peripheral societies to reject the left because it is left, taking into consideration that the right-wing (the capitalist roaders) modernization is already tested

⁷⁸ Egaleton, quoted in Arnold Krupat, *The Voice of the Margin*. Berkely, University of California Press, 1989, p. xi. A proper reply to these trends might be that of Che Guevara :

"What are you doing to stamp out hunger in the world"

"I fight against imperialism!"

In this context, a nationalist Cultural Revolution is imperative to make the country able to resist imperialism. The only way out still is the socialist class struggle in both center and periphery against capitalism. That is why DBPP as a socialist model of development based on historical materialism is gaining it's legitimacy

and failed in societies of the periphery. While the explicit aim of this argument is to encourage societies of periphery to reject every 'development' strategy from the West, its implicit aim is devoted in fact against socialism because the attitude towards the West and modernization is to a certain extent already taken and decided. That is what gave these arguments a reactionary content.

The same, but from the other side, is for the exaggeration of the demagogic phrase of a Third World leader, i.e. Julius Nirrari:

"We are underdeveloped economically, but you in the West are underdeveloped on the human level" These two issues are not equal and the comparison is meaningless. Both East and West are not satisfied of their situations. But both of them have to take from each other as human beings, not as lord and slave, and not as enemies as well⁷⁹.

"For some 'Sarvodaya' based on a conservative idealism. Its ideology, denying the existence of class struggle in their pre-colonial society, is seen as an attempt to bar the way to Maoism, which was briefly very popular with the country's youth...Singhalese movement Sarvodaya ...aiming not at capitalist or socialist modernization but at the restoration of a society based on 'adharma'... Projects based on law, order, virtue, religion, like building multi-purpose community centers, or the repairing of water tanks... (Verhelst, 1992:104, 114).

This is more or less, a call for new form of retreat to the past. There is no way in the world of globalization, in its positive term, the communications, for a society, even if it is in the furthest corner of the globe or contains hundreds of millions of population to did not deal with and use some of the new life innovations, and facilities for a human being. Even if the isolation is possible, why it should take place? The question is not the imperative rejection of modernization, as the writers put it. The issue is what form of modernization and what are the aims behind it and is it adopted by other societies or is it imposed over them? Vershelt (1990) deals with the issue from an anthropologists point view. He exaggerates the expected role of culture in the Third World, arguing that culture is the "cure' of the Third World backwardness. But, the Ethiopian economist Fanto Cheru argued for the opposite. He noted that, "The Ethiopian herds people sold over 250,000 cattle in Kenya and Somalia from Ethiopia last year...to the Beef industries in Kenya...for foreign markets...and end up mostly in Europe. The peasants gain cash in the short term, but in the long term they are losing their means of production. Foreign exchange generated may not go to improving agriculture but to waging war, or producing pineapples and carnation for export. "It is not a resources crisis; it is who decides about the management of these resources". What Fanto Cheru is trying to prove is that the crisis in Ethiopia never came from the 'backwardness' of its culture, but from the integration into the world capitalist market from the infection of the market culture, capitalist market and consumerism⁸⁰.

⁷⁹ Following is an example of the exaggeration of the role of culture at the cost of material, social and political factors:

“ Logic and persuasion normally fail unless there is strong intervention by a third party. The Arab-Israeli dispute is a perfect illustration of the process I am describing. What makes it doubly devastating is that neither side seems to realize that a significant portion of their difficulty is cultural” (Edward. T, Hall, *Beyond Culture*, Anchor Books, 1989, p 147

⁸⁰ See *MERIP Reports*, Issue of September, 1980, p.p 12-13.

It is very obvious that, the economic catastrophe in Ethiopia and Somalia took place, not because their rulers failed to apply the local cultures or depend heavily on it, but because those same rulers adopted culture designed for the Western capitalist societies, and policies that motivates them to deeply integrated into the World capitalist market. Accordingly, their leaders were limited into the narrow economic interests of themselves and their classes as mediators, brokers and comprador.

It should be noted here that if the Third World will go back as much as possible to its own culture/s, this will never substitute the necessity of using many of the developed technology or at least to adapt some of it according to their own level of development. This retroactive, will represent a fundamentalist case in its best. It is the opposite of Cultural Revolution. Sooner or latter, any Third World society in the context of its development will transcend its traditional consensus, i.e. the pretence that society is a unified and similar body, one religion, one culture and even one family! There is a great doubt that there is a single society still did not transcend this period of life. A class differentiation or conflict will emerge due to the class structure and interest in the same society. Culture alone, never balance, replace or led class interests. But culture as a flexible issue and have many commonalities with ideology, might be used by the ruling class/s to minimize popular classes' resistance against exploitation. The proper response of the popular classes, in such situation, is to use culture in its own term, as Cultural Revolution.

In fact, those who exaggerate the role of culture are, in a way or another, representing the neo-liberal currents that are against Marxism, and finally they are not supportive to the periphery's development.

"Materialist and dialectical sociology has long been guilty of willful blindness. Fascinated by the practical aspects of class struggle, by the numerous conflicts men experience on the material production front, it has neglected another battle-field: the one where are fought for control of the imaginary"(Zeigler, 1979).

In his efforts to negate Marxism, Zeigler thinks in a metaphysical manner. There is no doubt that any exaggeration on the material and production factors is misleading. But, it is deliberately misleading when the argument against materialist and dialectical sociology devoted for creating a justification that encourage the rejection of radical development strategies in peripheral social formations. As a matter of fact, there are class structures in the underdeveloped countries. The class exploitation and repression in the periphery is much harsher than it is in the center not in terms of work conditions, wages, and working hours only, but in terms of surplus value especially in the recently transferred industries to their countries from the center. According to the historical compromise in the center and the prosperity after the second World War until the beginning of the 1970s, the high and intensive exploitation rate of the working class in the center is in fact less harmful than the harsh exploitation in periphery.

"On the one hand, one must not see class conflict where it does not exist and project, yet again Western classification onto societies unlike our own. In one village, the chiefs and elders may have become despicable profiteers. In another, they are genuinely the result of a harmonious consensus. In the first case, the distinction has to be made between the culture of the dominators and that of the dominant. In the second, such a distinction would have no meaning"(Verhelst, 1992:81)

This is a reduction of the content of argument and its frame in space and time to proof a tiny and temporarily piece of information that exist in a tribal society in a certain period of time. This piece of information, even if it is really existed once in history, it never represents an important or continuous issue, but a temporary and limited scale. If it existed once in history, it is impossible nowadays. Those who raise these issues are using anthropology in the era of globalization in which the traditional societies has been integrated into the world capitalist system.

Social or community consensus is taking place only in some moments of life i.e. in exceptional cases and situations. It happens when the community started a new project, or in emergency situations. But after that, social contradictions will rise again. That is why, people needs to create a model that is flexible enough to guarantee their rights to be able to develop continuously after the exceptional moments of life, after the transitional periods. But, the role of the 'chief' is changeable from a certain period of time to another. And accordingly, the internal relationship of a community as groups and individuals will certainly changed. After any economic change or prosperity, individuals will realize that the gap between themselves and the chief is expanding especially since his contribution in the work for the group is decreasing, if he will continue working at all!

Cultures are changeable like any of the socially produced phenomenon. Cultures changed between the old civilizations through wars and trade, and through colonialism during the capitalist domination of the world. But it took more sophisticated manner under capitalism. Cultures articulate, to a large extent, according to the articulation of modes of production. Even the form of its articulation is similar to that of modes of production. The deformity that Fertadu refers to, the “cultural dependency” is a level of articulation with the capitalist culture in the core countries, similar to the level of articulation of the modes of production.⁸¹

“Assimilation is rarely a one way street and the culture of dominant groups is itself affective amalgamation occur when two or more cultures merge into a single new culture that contains elements of both as well as some entirely new elements representing a synthesis of the two” (Jhonson, 2000:20)

While, this is right in simple term, it should be noted that cultures are not assimilate before or separately from the other components of the social formations, mainly the modes of production and finally the relations of production, the form of production, ownership, legislation...etc. In fact, when peoples exchange either through war or peace, they are in fact exchange goods before cultures. In fact, the exchange of goods is more urgent than exchange of cultures.

David Throsby argues that:

“Of the main points is that culture is an issue that it is difficult to measure. “⁸².

⁸¹ For instance, cooperation between peasants in an agrarian society was deeper and larger before its capitalization. The more capitalization of a society, the more the volunteer cooperation decreased. The time in which the same individual peasants sacrifice for helping his neighbor or relatives (in ploughing or harvesting), became a working time devoted for wage labor. How and why this time changed to be devoted for waged labor? The same peasants who were ploughing freely are now strictly taking high wages. It is only because of the capitalization of the whole social life

⁸² UNESCO, 1998, Final Report on International Conference, on Cultural Policies for Development. The Power of Culture, Stockholm, 30 March-2 April,p.14-As-Hallak , *Education and Globalization*, UNESCO contribution of the International Institute for Educational Planning,

The question is to what extent it is possible to separate culture from other things, i.e. the social formation, mode of production, relations of production...etc and to measure it after that? But despite of that, when the liberals want to use the issue of culture politically, they 'define and or measure culture as they want. That is why they attribute the backwardness of peripheral countries to their culture. The differentiation between cultures, which is a normal human difference, encourages and led Huntington to call for a clash of civilizations. A call that in its content a call for the western capitalism imperialism to launch a continuous war against Islam and China. This is a barbarian call for a continuous world war motivated by the lust for profit.

State and Culture

Hennerz and Wallerstein believed that state is a strong organizational cultural force. "The main legitimate authority states apparatus tends to reach out with different degrees of credibility and success toward their subjects to foster the idea that the state is a nation and to construct them culturally as citizens"⁸³. In the era of nationalism, every state is a state for a nation. But the nation never was a completely whole thing without differences, without class structure and class conflicts. It is the interest of the state; here the ruling class in power, to insert into its citizens an ideology argues that they are one nation.

Following is a clear example on how development ends to play in the hands of state. It hangs culture to state, and finally, an indirect way to tale development to state. (See Chapter Four).

"At the intergovernmental conference on cultural politics for development held in Stockholm in April 1998, the first policy objectives agreed to by the 150 governments represented was to make cultural policy one of the key components of development strategy. It was proposed that governments should establish policies which recognize the pervasive importance of culture in development in such a way that they [the cultural policies] became one of the key components of endogenous and sustainable development"⁸⁴

But the issue is never remains in a general manner as it is shown in the above quotation. "As recently as 1965 the French Ministry of Education rejected Braudel: masterful. *A History of Civilization*, (repr, 1994) as inappropriate text for secondary schools because its survey of non-European civilizations clashed with the official syllabus, which was limited to French and European content" (Mehmet, 1995:11-12). Generally speaking, this means that this attitude donates more importance to state's role in development which in the final analysis the state of capital. But not any state and/or any capital, it is the "superior" European state!. The most important and striking issue here is that the accepted text of education should be that of the Eurocentricism!

⁸³ Spaces of Knowledge, in Anthony King , Culture, Globalization and the World System, 1997, p.17).

⁸⁴ UNESCO, 1998, Final Report on International Conference on *Cultural Policies for Development. The Power of Culture*, Stockholm, 30 March-2 April, p. 14. As-Hallak, Education and Globalization, UNESCO Contribution of the International Institute for Educational Planning.

Culture as a Racist Factor inside the Center Itself

The liberals use of culture end to a racist attitudes inside the capitalist society itself: “It sees culture in a development content as helping to: provide new opportunities for poor communities to generate incomes from their own cultural knowledge and production and to grow out of poverty” (Tropsy, 2001:70) That is why the blacks are always accused in the culture of the capitalist whites of United States as ‘lazy’ and ‘aggressive’. The same of what Smith and Ricardo said about the Irish workers and the peoples of colonies!

“Some scholars contend that the primary problem of the urban underclass is lack of motivation and social obligation among inner-city residents. In the 1960s Oscar Lewis’s theory of culture of poverty was hotly debated. Lewis argued that low-income children are socialized into a value system that reduces their motivation to succeed in the labor market. ‘By the time slum children are age six or seven, they have usually absorbed the basic values and attitudes of their subculture and are not psychologically geared to take full advantage of changing conditions or increased opportunities which may occur in their lifetime’ (Jencks and Peterson, 1991:343) This explains the relationship between racism and culture. But it ignores the economic base of poverty, as a class matter, despite of the fact that it is there, in the text itself.

Culture is a part of the human knowledge. It is normal that a society borrows from another. But to limit exchange or borrowing in the level of culture, except every thing else, is an issue walking on one leg only. Culture is a product of a level of development in the mode of production, especially the relations of production. The danger which came from the capitalist West is that it aimed at export to the COP the negative and aggressive part of its culture, the culture of consumerism, consumerism of every thing, food, clothes, crime, pornography, marketing of women bodies...etc⁸⁵ this form of export is the most beneficial activity for capital on the one hand, and it blocks the export of knowledge, know-how, technology...etc on the other!.

Culture is varied inside each society. There is a national culture for every society, there is a class culture for every social class, and even inside it there is the culture of every generation. It is a dangerous argument to exaggerate culture to become a barrier in front of human exchange of knowledge, ideas, theories...etc and in the final analysis, development. The example of the capitalization of Japan as an eastern society, even if relatively in a western manner, is a clear example of cultural exchange. We must consider that Japan took the capitalist mode of production first. The same mode of production breeds its own culture that is not too different from that of the capitalist west, but still maintains its own specificity⁸⁶ as a capitalist school of thought not as a Japanese capitalist culture different largely from that of the West⁸⁷.

⁸⁵ The ruling capitalist classes of today in the West especially in the United States are to make women a sex machine. Doing so, women will be out of work field. This helps the capitalists in the recession era.

⁸⁶ For the Japanese form of capitalism, see World Bank, World Development Report 1991, *The Challenge of Development*, Washington D.C 1991, quoted in Robert Wade, Japan vs the World Bank, in *New Left Review*, no 216, May-June 1996, p.5.

⁸⁷ “An Authoritarian politician like Lee Kuan Yew of Singapore would explain the region’s success in terms of self-discipline and hard work, whereas in Japan success has often been attributed to the culture and genetic homogenous of the country”. (Hamish Mc Rae, *The World in 2000 Power, Culture and Prosperity*, HBS Press, 1994.) This is an ignorance of the class role on the one hand, and it is an argument that development is difficult in the multi-ethnic societies

There is no doubt that Japan's capitalism influenced by its own culture, but it is stayed in essence, in its main laws a capitalism, with Japanese culture.

Because of the economic deterioration in Africa, some African and Third World bourgeois and intellectually dependent writers (intellectual comprador), breach for the return of colonialism. This position is in fact contradicting the position of those who are exaggerating the role of culture, those who condition the success of development by the return of every society to its own culture, the cultural fundamentalists. But the fact doesn't change in both exaggerations. Those who argue for restoration of colonialism, are contaminated by cultural dependency, but here it is not limited in the area of the ruling and consumerist ruling bourgeois, as Fertado argued, but between the academic comprador, the intellectual comprador as well. They are preaching for the re-education of periphery in a mission aimed at wiping the culture of revolution that they got through the era of liberation movement and the post liberation era and to call for the return of colonialism.

Following the failure of development in the COP new approaches has been provided to explain and answer the issue of underdevelopment. Some people emphasize the role of culture others suggest that civil society, education, human rights, law, the role of women...etc.⁸⁸ The liberal writers in general, and the writers of the U.S ruling establishment in particular, like Huntington, will continue attributing underdevelopment to new issues and reasons. Their goal will be to confirm that capital in all its colonial, imperial and global demonstrations have no role in the COP underdevelopment.

Chapter Four

Class is the Decisive Dimension of Development, Not State

This chapter is not to discuss theories on state. It examines if state is the proper tool for a development that encompasses equally, the whole society, the role of the state in the core countries, and the COP. This chapter started by examining the writings of the

⁸⁸ What is really funny, that when the liberals and the World Bank and IMF realized the importance of the human factor in development, they themselves supported and imposed the SAP which in fact minimizes education and health budgets! For an idea of the concentration on education see, As-Hallak , Education and Globalization, UNESCO contribution of the International Institute for Educational Planning, 1998, no. 26, p.14. Quoted in Henri Bartoli, *Rethinking Development: Putting an end to Poverty* , UNESCO publications 1999.p.27.

western capitalist liberal writers. The reason exceeds the fact that they dealt with the modern state issue before the Marxists, but also because treating the world as if it is composed of the west only. Or in their best cases, if they consider the COP, they consider it as if it is an appendix to the center. Doing so, the liberals are in fact contaminated by the racist ideology and culture as it is shown in Chapter Three. They are supporting the interests of the ruling classes in the center as interests that entrenched in the COP. They are representing the politics, academic and cultural aspects of the core capitalist colonial ruling classes.

The liberal writers did not declare that they limit themselves into the level of discussing the world from the interests of the center. They generalize the experience of the center over the COP. They did not consider the differences between the core and peripheral formations. And when they deal with the COP, they did that from a core point view. The state in the COP is mainly a repressive and corrupted machine different than corruption in core states. It is the dictatorship of the comprador capitalist class, which supported by the ruling establishments in the center to maintain the periphery's dependency. According to the colonial history, state in periphery never got the chance to develop freely and naturally, that is why this state is a collection of non-harmonized spare parts borrowed from several different social formations of the center. For instance, if we believe the liberal economists and politicians, state in core countries interferes in the economy when the private sector fails to work properly. In periphery especially in the Arab oil producing countries, the state, the ruling elite, consider itself as the owner of the economy even of the country. That is why the private sector there, limited and weak. Unfortunately, it is not limited for the sake of public, state, or cooperative sector, but for ruling lineage family mode of ownership. To a certain extent, the wealth in Arab countries is kidnapped or 'colonized' by the rulers who are backed by the ruling capitalist classes in the core. Briefly speaking, there is a need for a theory of state for the COP, not a copying or duplication of the state in the center.

In the Origin of State and Private Ownership

While it is right that each state represents a class, the ruling class, the state itself came after humanity's move from communal to private ownership. While there was a division of labor between the sexes, equality nevertheless prevailed because woman performed important agricultural activities? But the invention of the bronze tool, which was too heavy for woman to wield, allowed primitive man to increase his productivity and create a surplus beyond subsistence needs. This technological revolution simultaneously displaced woman in production and laid the foundation for the male institution of private property. It resulted in change in the mode of production from primitive accumulation-where land was owned in common by all members of the clan-to slavery, where an appropriated the surplus produced by his fellow man as his own primitive property. Woman lost her role in production and became a dependent and inessential being. Engels concluded that woman's oppression was caused by the creation of private property.

The first states appeared about 5,000 years ago, in the Middle East (the Arab Homeland A. S) and else where, probably as the outcome of the activity of DISTRIBUTIVE CHIEFDOMS, or of warfare that led to conquest and class domination. Whatever their precise origins, however, there is agreement that the central appropriation of an economic surplus and SOCIAL STRATIFICATION are both an essential requirement and a consequence of the subsequent development of states. Prior to the first states, the government of societies existed only as a set of functions diffused within the wider society among a number of institutions or organizations playing political roles, for example, lineage groups, age groups, or general meetings. In contrast, modern states usually have a set of clearly differentiated political institutions,

for example, an executive, a legislative, a judiciary, armed forces, and police⁸⁹.

What is important for us here is that wars between the early states in history, in the Arab Homeland, were motivated by interests. The economic factor was there. The people were the soldiers, and the nobles were the rulers. Despite of the fact that the soldiers were defending the people in general, but the part that mostly benefited, in the final analysis, was the king and his entourage, that is why the king recruits soldiers and keeps them as regular army. Many anthropologists (Terry 1968) showed that even the primitive societies, i.e. who were before the states contained social stratification.

Between the first states (in the Arab Homeland before 5,000 years) and the modern states (of capitalist Europe) which Jary and Jary (1991) referred to, there are the states or empires of Greek, Rome, Arabia, and China...etc. These states were also based on a class bases and their goals and their wars were for extraction of surplus. The Arab empire kept conquered peoples under its domain to extract tax (*Jeziyah*) from those who maintain their religions and not convert to Islam. These peoples were at liberty to maintain their religion as long as they are ready to pay tax. One might argue that the economic interest of the Arab ruling class at that time is to have as more as possible of non-Moslem citizens, because they are a good source of income to the state's budget. It was able to feed itself through the tribute (*Kaharaj*) which collected from the subjected areas⁹⁰. The large amounts of income to the Arab Empire became a wealth in the hands of the ruling class, the aristocracy in Mecca and Damascus.

State's Role in Liberals' Viewpoint

The liberal writers, especially the economists are divided into several categories regarding the definition of societies. They might be divided generally into two main, but large, categories: Those who consider every individual in society separate and independent atom from others, and those who look at society as one large block.

But all of them argue that state's role in the society is to protect private property, to guarantee the free market, and to did not interfere in the economic process. While facts of life proved that state did interfere, decide and rule in the western capitalist societies. It's interventionism goes beyond the national level to international level, but in two different manners in shape. While in content both interventions are motivated by the interests of the ruling class. John Locke is the godfather of the capitalist state which based on private property, and accordingly, it is, the state, is in the service of the most owning class. For Locke, man's duty to God, under natural law, is use his peculiarity human qualities-reason and free will. Political authority, properly so called, is limited to securing the conditions under which people can pursue these purposes. This means that their property must be protected, and by 'property' Locke meant the 'lives, liberties, and estate' of people. Political authority is thus instated by men in the *state of nature*, through contract, for their greater security; it is exercised according to trust, is sustained by an implicit contractor, and consent can be withdrawn if that authority proves incompetent or as, Locke thought likely, it oversteps the boundaries of the trust. Since civil government is entrusted to men who ultimately cannot be trusted, a right of popular resistance to political authority remains always in deserve as a deterrent to incipient absolutist and despotic pretensions⁹¹. The Anglo-American political philosophy is rooted in Locke's concepts of constitutionalism, private property, and individualism.

List concentrates on the collective/nation's role of state over the individual's interest, he never accepts the fact that private property is an individual one, and the state is its main protector. "List, the economist nationalist, also rejected the *Laissez-faire* individualism of classical economists from Adam Smith on, supported instead, the interests of a collectivity such as the state or nation. He denounced as 'sophism' the doctrine of individual rationality, guided by self-interest alone, as the sufficient condition

⁸⁹ David Jary and Julia Jary, *Sociology, the Harper Collins Dictionary*, p. 490, 1991.

⁹⁰ One of Amin's major contributions is the tribute mode of production which he attributed it to the Arab Homeland, China, India...etc.

⁹¹ David Jary and Julia Jary, *Sociology, the Harper Collins Dictionary*, p. 279, 1991.

of prosperity. It is not true, List argued, That the wealth of the nation is merely the aggregate of the wealth of all individuals in it, and that the private interest of every individual is better able than all state regulation to incite to production and accumulation of wealth...Between each individual and entire humanity...stands THE NATION, with its special language and literature, with its peculiar origin and history, with its special manner and customs, laws, and institutions...It is the task of national economy to accomplish the economical development of the nation, and to prepare it for admission into the universal society of the future”⁹²

In *The Philosophy of Right*, State for Hegel is the embodiment of society’s general interest, as standing above particular interest, and as being therefore able to overcome the division between civil society and the state and the split between the individual as private person and as a citizen.

This definition of the state based on an understanding that the state is an independent apparatus from the social class, a representative of the whole nation. Hegel’s argument explains the Prussian route of transition to capitalism which is different from the British-American one.

It is important to note that the British, Prussian and the transition of all Western Europe to capitalism took place in a world without an economic dominant center that might block their development, while this is not the case in development in peripheral formations. The Ottoman Empire’s integration into the world market took place during a stage of its deterioration that to a certain extent caused by various European interventions. Accordingly, its integration was in the form of dependency. The germs of dependency grow in parallel with the process of integration. This is an important difference, between the Western European transition to capitalism and that of the COP when Europe became the center and because it, the center, contributes in blocking the catch-up, the development of periphery.

Smith, as a believer in a limited role of the state in economy is different from List who supports protectionism. Despite of that, all of the liberal writers maintain their support to the capitalist state/class each by its own way. It is clear that List was talking about Germany in the age of (European) nationalism. But Smith differentiates between the European state that gained the chance to develop a stationary state and China (as an example of the peripheral state). He believes that the chance for development limited into the first, while, the second China is unable!

“However, Smith did not see the attainment of a stationary state by the growing economies of Western Europe as imminent, nor did he analyze in any detail the factors likely to bring it about (although he observed that a country with economically repressive laws and institutions, such as China, could induce such a state prematurely)” (Hunt, 1989:12) In *The Principles of Political Economy and Taxation*, Ricardo’s analysis of the reasons why, and the route by which, growing economies might reach a stationary state is quite dispassionate. Yet the amount of space which he devotes to this issue is sufficient to indicate that he took it seriously” (Hunt, 1989:16)

In general, liberal economists, albeit of their differences, concentrate on the

⁹² List Frederick, 1885, *The National System of Political Economy*. Translated by Sampson S. lioyd. Longmans Green and Co, London, p.170. Quoted in Ozay Mehmet *Westernizing the Third World: The Eurocentricity of Economic Development Theories*. Routledge, 1995, p.p.11-12

importance of industrialization, and outlets for exports in the development of any society. They use state's role in industrialization to justify greater role for the state inside its borders and abroad. This laid a foundation for the justification of European capitalist colonization of the COP and the blocking of their development. For the underdeveloped countries, to develop the process of industrialization is the most preferable policy to absorb the surplus labor force from the agricultural sector. For most of the economists, this needs a substantial degree of state intervention.

This argument might be acceptable, but what still needs to be analyzed, is the class nature of state, and the social results of its policies. In addition to that, is it possible for the state in the periphery to embark in industrialization? Is it possible for this state to repeat the role of the state in the core countries? Are the ruling classes in the COP similar to the auto-centricist ruling classes in the center? In this context, there are many questions that must be answered.

“The seventeenth century philosopher Thomas Hobbes saw the state as a necessary institution to keep people from doing harm to one another. It was a protection, however, that required people to surrender some of their freedom and autonomy to the state. (Johnsorn, 2000:287)

It seems that Hobbes' support to the state stems from the fact that the supporters of the new bourgeois state were worried of people's internal relationship and that is why they gather justifications to guarantee its stabilization. But they did not determine how people's relationship demonstrates. For instance, does it demonstrate in an individual or class manners? It is clear that they want to see it as atoms, as individuals.

This achieved through vague ideas or discourse like to guarantee or maintain public order, or to hold people from harming each other (as Hobbes maintains) taking into consideration that the generalization and deepening the culture of competition and private ownership and acquisition lies behind Hobbes' believe that human beings' behaviors are aggressive. While maintains these 'values and culture' the state is in fact maintain the reasons which create and reproduce competition, aggression and hatred. Accordingly, the state did in fact create or at least protect the problem as a material thing, private property of means of production and invent its cure, i.e. the law, the superstructure, that support the private property. Both the infrastructure and the superstructure always devoted for the class who holds power on behalf of the capitalist class, i.e. to a large extent, the state.

As defined by Max Weber, “the state is the social institutions that hold a monopoly over the use of force. ... The state is organized around a set of social functions, including maintaining law, order, and stability, resolving various kinds of disputes through the legal system, providing common defense, and looking out for welfare of the population in ways that are beyond the means of the individual... from conflict perspective, however, the state also operates in the interest of various dominant groups, such as privileged social classes and groups”⁹³

State, has, in the words of Max Weber, a 'monopoly of violence' within a specific territory. Hence, the state includes such institutions as the armed forces, civil service or state bureaucracy. Weber, in his attempt to negate the class structure of society, and to

⁹³ *The Blackwell Dictionary of Sociology*, by Allan G. Johnes, 2000, p. 305.

contradict the Marxist analysis, stands formally in the middle between those who argue that the society is based on individuals and those who argue that it is based on the nation. He stressed the role of groups as the negation of the role of classes. In spite of the fact that groups are important in any social structure, they are parts and components of classes. Accordingly, Weber is essentially stands in the camp of the liberal bourgeois, capitalist, writers.

“Moreover, in order to develop the means of intervention, state actors are dependent on allies in society. Force cannot be the only means of state power and, therefore, state actors do have to make concessions. (Marshall, 1998:635) This argument on state looks as if state is a neutral machine. In its essence this argument never criticize the role of the state and it is not going deeply to the class depth, to the fact that classes or groups alliances are motivated by material interests including the interests in power. That is why Marshall’s argument is in fact supporting the bourgeois state. In fact state’s power or coercion is available for a class and against another. By other token, is it right that state monopolizes power just to solve individual’s quarrels or mainly to protect class’ interests?

The question here is, is the state some thing independent socially, i.e. a class, and accordingly, create its own alliances with other social factions? This form of argument contains a concrete independence of the state, an issue that hides and disguises the bourgeois hegemony over state as an apparatus and power but not its social existence it is its class roots and role.

In comparison to the old manner of govern, the modern state penetrates, organize and even control all aspect of social life, but with an increasingly indirect, but effective way. “The state can assess and tax our income and wealth at source, without our consent or that of our neighbors or kin; it can enforce its will within the day almost anywhere in its domains; its influence on the overall economy is enormous; it even directly provides the subsistence of most of us (in state employment, in pensions, in family allowance etc) The state penetrates everyday life more than did any historical state” (Mann, 1988p. 240) Accordingly, the modern state is much more dangerous to the consciousness of human beings than the pre-modern state. The means of hegemony which available for the modern state, the civil society, media, and the recruitment of academic and intellectual are a dangerous and effective means in the hands of the state to dominate.

For Skinner, “All modern states are nation-states –political apparatuses, distinct from both ruler and ruled, with super jurisdiction over a demarcated territorial area, backed by a claim to a monopoly of coercive power, and enjoying a minimum level of support or loyalty from their citizens”(Skinner, 1978) (Giddens, 1985)

Skinner defines the state’s social role in a very neutral manner. He refers to the general role and function of the state in contrast to the society as one block not as classes. This form of analysis is ideological but not practical, because either it is deliberately ignore the class structure of the society or it is very ideological to the extent that it fails to realize that the multi millionaires are different than those in the shantytowns!

Based on bourgeois ideology liberal writers goes too far to make the compromise with state intervention as an ideology to be adopted by the poor masses. There aim here is to substitute class consciousness, interests, rights, and revolts of the popular classes by compromise.

“...is a politically constituted class compromise or accord...It is easy to see why

and how the existence of this accord has contributed to take compatibility of capitalism and democracy...each class has to take the interests of the other into consideration: the workers must acknowledge the importance of profitability, because only a sufficient level of profits and investment will secure future employment and income increases; and the capitalists must accept the need for wages and welfare state expenditures, because these will secure effective demand and a healthy, well-trained, well-housed and happy working class". If this ideal type is applicable in the practical life, which is not, what the liberal writers think about their state's role in the colonies?

F. Fukuyama, one of the principal neo-liberal ideologists affirms that "the meaning of the end of history ... is that there is no systematic, institutional alternative to liberal democracy and capitalism based on the market for the countries of the world". This means that the core bourgeois state in the era of globalization is the last model of states in history. It is not clear how he look to the new popular movement all over the world against war and capitalism? He might classify them as part of the axis of evil!

In Von Mises's words: "It is very important that social ideals do not interfere in economic life. Truly ethical conduct is doing good business, rational and modern business, and no one should demand of the businessmen that he worry about social problems". He wrote as well: "the market's function is to regulate economic phenomenon and should not be interfered or slowed even on account of the most noble social ideals".

State for Buchanan into guarantee proper functioning of the market:

"The required state is a minimal state, restricted almost if not completely to protection of property and individual rights and guaranteeing, private, voluntary contracts."

According to Milton Friedman, within the framework established by the international market, control of the money supply and the fluctuations of the money market are considered the determining factor of economic activity. The collapse of the financial markets in the United States since the year 2000 and the intervention of the Federal Reserve to decrease the interest rates which finally became zero and the U.S intervention to keep the dollar strong, came to explore how Friedman's monetary theory was fragile.

In the neo-liberal model, the social has no importance, in Hayek's words: "in the new development model it will be an embarrassment to talk of social justice."

The Modernity writers continue in the same direction: "This analysis emphasizes the autonomous character of the welfare state- i.e. actively reconciling contradictions- in comparison to other theories which stress its essentially class based or social democratic character " (Hall, Held, Hubert and Thompson,2000:259)

What takes place in reality is that who controls power and capital is in the position to legislate laws, he is able to control and use the superstructure. For instance, in the United States of today, the ruling capitalist establishment determines the interest rate, minimum wages, tax, working hours, the workers rights...etc From a practical point of view, state never play the role of reconciling contradictions because it is part of them. What takes place in reality is that who controls power and capital is in the position to legislate laws, he designs the superstructure.

State subjugates the popular classes, through passive repression, its policy and ideology using several means including media's domination and if necessary by direct repression. This role leads to minimize contradictions, but it is not reconciliation.

"Keynes favored active state intervention through deficit financing of the magic of 'the multiplier' to cure deficiency of aggregate demand in pump-printing a depressed economy operating below its full productive capacity and manifesting severe involuntary unemployment made up of workers' unemployed [yet] who would be willing to work at

less than the existing real wage” (Keynes, 1936:122)

Keynes never intent or represent a total de-link from Smith, but his theory was an adaptation towards a new reality. Keynes’ importance neither stems from a close position towards socialism nor from a rejection to state’s role and intervention, but from an expansion of the state’s role and intervention in a new approach or manner to extend the life of the capitalist system. An approach that lasted for nearly three decades until the neo-liberal and monetarist polices overcome it.

According to Johnson, lack of confidence in the ability of the private sector to achieve full utilization of productive resources, hence, emphasis upon state interventionism (Johnson, 1974)

This means that state intervention is a creation of a huge apparatus under the name or interest of the nation to rescue and or revive capitalists’ interests. That is why, in the modernist point of view, state intervenes when the private sector became unable. This is a general law for the capitalist state. For instance, the U.S state of today interfere in the economy through taxation (while being collected and/or refunded), interest rates, working hours, and last but not least the start of a new series of wars which is in fact support, maintain and expand its globalize capitalist public sector. This global sector in itself is state’s control of the economy.

All these ideas raise the following question: what is the difference between the capitalist curing for bankrupted companies and the liberal justification of state intervention and the role of the peripheral state in the Import-substitution. The idea here is that the state became more powerful and its role is an un-questionable one. (Hunt, 1989:46)

Hirshman and Bamiy, encourage state’s intervention in agriculture (Hunt, 1989: 60-61, and 299). This means that peripheral state must intervene. For the believers in the luxurious State, State intervenes in the infant industries. The Neo-Classics support state intervention, but in a gradual manner (Hunt, 1989: 326). Briefly speaking, all liberal economists are with state’s intervention in both center and periphery. Their internal differences are in the degree, but not in principal.

Most of the liberal writers dealt with state’s role inside the national state. They failed to examine its role in the world scale. The same modern nation state in the core capitalist countries is the colonial, repressive, plunder of the COP. This failure to examine state’s international role is to a large extent stems from a racist culture which justify the colonialism. They never consider the policies of the core state in the COP as part of the standard of state’s evaluation. Accordingly, this put the credibility of the so-called Civil Society in the capitalist core countries in a critical situation. A real Civil Society shouldn’t ignore its ruling class’s criminal history and current policy.

This might open a place to show a different role of the state, the state of Israel as a watch-dog for the same western capitalist core ruling classes. It is in fact created by the same western ruling classes all over the last century.

According to Moshe Sharet, ... Ben-Gurion and his 'officer junta' as he called them, believed that only a permanent state of war could turn the immigrant rubble into a 'new Hebrew man'⁹⁴.

In the mind of Ben-Gurion and the officers, wrote Sharet, 'Israel has no worries, neither international nor economic. The question of peace does not exist. What happens in the region and in the world is irrelevant. In their view, [the state] should see war as the principal and perhaps only means of increasing welfare and keeping the moral tension... [The retaliatory operations] are the elixir of life... The help us keep the civil and military tension. Without them, we wouldn't have a fighting nation, and without a fighting regime we are lost... For this purpose, we can concoct dangers, indeed, we are obliged to. Give us a war with the Arab countries and all our troubles will be over... Ben-Gurion himself once uttered that he should take an Arab and pay him a million Liras to finally start a war'⁹⁵,

State's Increasing Subjugation to Capital

It is obvious that emerge of globalization as a demonstration of capitalism came in parallel with economic crisis of capital. This led practically to an increasing state's subjugation to the dictatorship of capital. Alber, a contributor in *Modernity 2000*, has highlighted, "the global economic crisis which began in the 1970s and continued into the early 1980's corroded the domestic social and political foundations of managerial capitalism; with the consequences that the role of the state has come under increasing scrutiny in all Advanced Capitalist States ACSs" (Alber, 1988:451-68)

Here Modernity authors continue...
"Even in Sweden, social democratic governments have been forced to rethink the state's role in response to domestic political crisis and international economic conditions. And in France a socialist government was forced to embrace aspects of the 'new Right' agenda. By the 1990's given the collapse of 'state socialism' in eastern Europe, the proper extent of state intervention in civil society and the legitimate boundaries of state power remain issues which combine to occupy a strategic position (if at times somewhat camouflaged) on the domestic political agenda within the majority of ACSs"⁹⁶

This argument raises several issues. One is the failure of the state in solving the economic crisis. The other is the deterioration of state's leading role in managing the economy a role that replaced by the MNCs. This development reflects a change in the ruling capitalist coalition from one group to another. The difference here is that the state still serve the interests of the capitalist class, but whose number less than the old one while its monopoly of capital is expanding. That is why, the social democrats and the socialists in Sweden and France was in fact moving more and more to the right. The same is for the socialists in Germany, the labor party in England, or what so-called the Third Way. They are really keen to keep the accumulation in the highest level. The real name of accumulation is the highest rate of profit. To keep the rate of profit high, a more

⁹⁴ The Global Political Economy of Israel by Jonathan Nitzan and Shimshon Bichler, Pluto Press, 2002, p. 102.

⁹⁵ (Sharet 1978:vol. III, pp. 1021-2), quoted in Jonathan Nitzan and Shimshon Bichler, Pluto Press, 2002, p. 102.

⁹⁶ *The State in Advanced Capitalist Societies*, by Anthonh McGrew, in *Modernity 2000*, p 262)

aggressive policy against the Third World countries become urgent and more justifiable. This might explain why Britain and France and many other core countries participates the U.S led aggression against Iraq 1991, Serbia 1998 and Afghanistan 2001 and lately the U.S -British led occupation of Iraq 2003. All of this must be placed in the context of the capitalist management of crisis at the cost of its popular classes in the COP since 1973. In other words, as long as the economy is in crisis, the state intervention took a direct manner. This means that the state jumps directly and violently, when necessary, to defend its class interests, the interests of the class who the state is serving. What is the meaning of state's aggressive policies towards the Third World or what so-called "Terrorism Axis"? In reality, it is a role of the core state to heavily intervene in the economy, in a new manner, the subjugation of other nations for the interests of its own bourgeois.

It is not confirmed that the role of state is going to be terminated, especially in the core countries. It seems that the bourgeois state in the center do re-consider its role according to the needs and interests of capital. This means that there is no contradiction between state and capital as some writers pretend, but that capital will amend the role of the state according to its interests which expanding universally, especially when there is a capitalist crisis. In fact, through its military might, the U.S state is transferring the periphery of the world system into a globalized capitalist 'public sector' for the U.S private sector, the capitalist class.

Under their false imagination of the deterioration of the role of state, a neo liberal is arguing for a consolidation between state and capital:

"It became a major task of government to design and maintain an inducement system for them, for its value as an incentive, intimacy of participation in government itself. In all these respects, the relation between government and business is unlike the relation between government and any other interest group in society" (Dahl, and Lindblom, 1976). While this argument contains an indirect emphasis on the fact that the state is a class tool, it is going further to encourage this class alliance between state and capital against other classes.

Pierson argues, "The de-regulation of the international market and the financial institutions, in particular, have tended to weaken the capacities of the interventionist state, to render all economies more open and to make national capital and more especially national labor movements much more subjects to the terms and conditions of international competition" (Pierson, 1991:177-188) But it should be emphasized that de-regulation is devoted for the sake of capital. International Financial Institutions IFI never was at any time independent bodies, i.e. separated from the core state's influence, especially that of the United States. In this context, the role of the state continued in its natural route, i.e. according to the interests of capital. In the phase of globalization, de-regulation became the norm. What is strange is the fact that the so-called decline of the role of the state has been associated with a real decline in the power of labor. The result is the 'victory' of capital. While the deterioration of labor is to a certain extent right, state role has been changed more than declined. We couldn't measure the role of the state through its intervention only or through an abstract intervention. The question is: what form of that intervention and it is for the benefit of whom? As long as the intervention is for the sake of maintaining accumulation, then the state's intervention is for the interest of the capitalist class. To show the issue of intervention as an independent issue creates a

false image that the state is an independent neutral social factor, which is not true. Even if the state withdrawal from a certain area of intervention, it is doing that for the sake of its master, capital. This did not harm accumulation of capital. It gives capital a free hand to exploit. Again, the de-regulation policies are 'positive' responses from states to capital needs. It is an opening of the world market to be a globalized capitalist public sector for the global empire, the United States and to a lesser extent other capitalist imperialist centers of the EC and Japan. If this is not the case, by what right the states of these countries gave themselves the right to occupy Iraq, to prepare a military aggression against North Korea...etc?

What is important as well is that these liberal writers are in fact discussing state's domestic role in the imperialist countries. These writers as white-centrists ignore the fact that the role of the imperialist state is increasing in the foreign level through the creation of the globalized capitalist public sector that exploit directly the Third World and transfer the sucked surplus to their own economies.

"Whether by becoming the 'investor of last resort,' or by influencing the capital market through credit allocation (e.g., directing banks to allocate monies specifically to certain industries, such as housing), or by investing directly in firms (taking a strong equity position through shareholding), government will inevitably extend its power in the capital markets. At what point one would call this 'state capitalism' or a 'corporate economy,' may be more a matter of semantics than a reality. The basic point is that the scope of private corporate control of its own affairs in this most crucial of all matters –the management of capital- is increasingly diminished. What more and more is the nature and quality of state policy, and the degree of public voice in setting a societal goal?

But there is a larger 'cultural' question in which these economic issues are embedded. American capitalism changed its nature in the 1920s by heavily encouraging the consumers to go in debt, and to live with debt as a way of life. In the 1960s, the basic financial structure of the economy became transformed when sharp individuals began to realize that considerable fortunes could be created through 'leverage,' that is, by going heavily into debt and using that borrowed money to underwrite finance companies, create real estate investment trusts, and increase the debt/equity of corporations, rather than expand out of internal financing or by equity capital"(Daniel Bill, 1996:242)

While the corporate economy attribute a larger role to the state, it is clear that this role never go beyond the service of the capitalist class. In this case, it is not the role of state that expands but the services that the state delivers to the capitalist class. The case of the American society who became an indebted society is a case of making the popular and middle classes dependent on the financial system of the country. More society's dependency on state's role means less class-consciousness⁹⁷. In this level, the Americans are subjugated to a dual repression, those of the state law and financial capital's debt. The state law is a part of the superstructure which in the service of capital. The case of indebted society is the same one that developed to a speculated society. The last five years witnessed a mass American competition for buying shares of companies whose

⁹⁷ This is similler to the case of the state in the COP when the state became the main employer in the society. Its bureaucratic apparatus expanding and accordingly large and large number of the population became dependent for their life on the state. This minimizes the possibility of recruiting these dependent people for the political/class struggle against the state.

shares' real prices were one third of the price paid by people. The result was more mass borrowing and a loss of one third or more of the money the people paid for shares for the year 2001. The mass popular speculation is a new phenomenon. It is open for several possibilities. What might offset its explosion is the U.S guarantee of money inflow from all over the world to the United States. To guarantee this money inflow to the United States, the ruling establishment must start a series of wars. The war increases demand for weapons that operates military industry and subjugate more areas to the U.S domination either directly or indirectly. The direct occupation of more countries i.e. Afghanistan and Iraq, and indirect occupation as the case of the Arab Gulf states, opens new markets for the U.S civil industries. Here, it is the army, using the military industries that open and guarantee the continuous opening of these markets. These new markets, who are not only those of the directly occupied countries, but the neighboring ones as well, save a lot of surplus to the U.S economy which put under the use of the arms industry. So, it is a mutual interdependence of the U.S military and civil industries. In fact, the same capitalist class owns both industrial branches.

This reminds us of the fact that capital is using state inside and outside the nation state which ensure the fact that it is a tool for capital. Accordingly, the power of a state is in both, its economic power in the world market, a power that is measured by the ability of the products produced by its working class to compete in the world market, and the power of its weapons, which produced by its working class as well, to conquer other nations. The devotion of the military power to the economic power is the final aim of capital.

The U.S Zionist journalist Thomas Friedman wrote four years ago in New York Times Sunday Magazine : "The hidden hand of the market will never work without a hidden fist.

McDonald's cannot flourish without McDonnell Douglas, the designer of the F-15. And the hidden fist that keeps the world safe for Silicon Valley technologies is called the US Army, Air Force, Navy and Marine Corps...without America on duty, there will be no America Online.⁹⁸".

Why the company is able to mobilize the army? If the army is mobilized independently by other leadership, the stare, does this leadership mobilize it absurdly? It seems that in the global era of capitalist development, the boundaries between state and capital became more relative than any other capitalist era. They are working jointly and openly. The globalization wars, in Yugoslavia, Afghanistan and Iraq, left no doubts about this joint relationship⁹⁹.

⁹⁸ A Manifesto for the Fast World," *New York Times*, March 28, 1999

⁹⁹ "I spent thirty three years and four months in active services as a member of our country's most agile military force- the Marine Corps... And during that period I spent most of my time being a high-class muscle man for Big Business, for Wall Street and for the bankers. In short, I was a racketeer for capitalism... Thus, I helped make Mexico and especially Tampico safe for capitalism... Thus, I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenues in ... I helped purify Nicaragua for the international banking house of Brown Brothers in 1909-1912. I brought light to the Dominican Republic for American sugar interests in 1916. I helped make Honduras 'right' for American fruit companies in 1903. In China in 1927 I helped see to it that Standard Oil went its way unmolested. During those years, I had, as the bys in te back room would say, a swell racket. I was rewarded with honors, medals, promotion. Looking back on it, I feel I might have given Al Copone a few hints. The best *he* could do was to operate his racket in three city districts. We marines operated on three cotinents (cited in Huberman 1936:265-6, original emphasis. Quoted in *The Globa Political Economy of Israel*, Jonathan Nitzan & Shimshon Bichler, Pluto Press, London, 2002, p. 205) I wonder what the Marines might write now in Iraq!

Marxism and the State

Most of those who wrote in the issue of state except the anarchists and some Marxists are in support of the state in principle and they attribute to the state a leading role in development.

But Marx himself seems not for state in the used term of it, he argues that socialist party does not conquer the state, it replaces it; it replaces its regime, abolishes party government and replaces free competition by the organization of production and exchange. This form of organization is different from the role of the state in the former Soviet 'socialist' block.

It is important to differentiate between adopting and depending on the current state, as it is in any period of time, and to reshape and use the state in a transitional period for development after the change of the state's class nature. In such situation, it is another state if it is still a state at all. But to begin with, there is a great defect for any strategy to depend on the state as an apparatus on the one hand and as a class apparatus and tool on the other, unless the state is oriented and led by direct representative of the popular classes, by the popular protection.

More than any other institution, the state is an institution that practice and guarantee class interests, domination and exploitation. In *The Communist Manifesto*, Marx and Engels emphasized that: "The executive of the modern state is but a committee for managing the common affairs of the whole bourgeois"

What is more dangerous is not the class role of the state, but the ideological cover which used to camouflage the real role and face of the state, or what might be described as the 'autonomy' of the state which did not represent the reality of its role. This supposed or imaginary 'autonomy' of the state, that the state is representing the different classes in the society, justifies for the state to practice exploitation and even repression without being blamed or questioned. This even made resistance against the state as an illegal action. More than that, the core state practice mental and educational repression over its citizens. This became clear when the majority of the core state citizen's support their ruling establishment in its aggression over other peoples, i.e. the U.S British aggression against Iraq, Serbia...etc.

Bottomore argues, far from the communist attitude towards state, two different approaches have, in the recent years, been used to provide an answer to the question of state. "The first relies on a number of ideological and political factors: for instance, the pressures which economically dominant classes are able to exercise upon the state and society; and the ideological congruence between these classes and those who hold power in the state. The second approach emphasizes the 'structural constraints' to which the state is subject in a capitalist society, and the fact that, irrespective of the ideological and political disposition of those who are in charge of the state, its policies must ensure the accumulation and reproduction of capital. In the first approach, the state is the state of the capitalists; in the second, it is the state of capital. However, the two approaches are not exclusive but complementary¹⁰⁰. The question here is: where is the state in this equation? Is the state some thing more then an executive apparatus for the interests and or pressure

¹⁰⁰ Bottomore, 1983 D, p521.

of class? Its correct that both of them completing each other, but the second is obvious. When it is the state of capitalists, it is in fact the state of a certain faction or factions of the capitalist class. But practically, it is the state of capital far from the replacement of one capitalist faction by another or their sharing of power. The decisive factor is the state's class position and its role.

For the Marxists, state in the class society has a class role and job. But, the Marxist consensus doesn't mean that they have no differences on this issue. Generally speaking, there is a continuous need for developing a proper communist theory on the state.

As Marx portrayed: "the ideas of the ruling class are, in every age, the ruling ideas" i.e. the class which dominating the material force in a society is at the same time, its dominant intellectual force¹⁰¹"

In his characterization of the worker's state, Lenin wrote: "For a certain time the worker's state cannot be other than a bourgeois state without bourgeois. It follows that under communism there remains for a time not only bourgeois right, but even the bourgeois state without bourgeois"¹⁰² This means that Mao's warning that the socialist state might be turned down is right. This is what has been proved by developments by the collapse of the Soviet Union and the decline of the socialist state in China.

Gramsci noted that, the socialist party is not a sectional, but a class organization: its morphology is quite different from that of any other party. It can only view the state, the network of bourgeois class power, as its antagonistic likeness. It cannot enter into direct or indirect competition for the conquest of the state without committing suicide, without losing its nature, without becoming a mere political faction that is estranged from the historical activity of the proletariat, without turning into a swarm of 'coachman-flies' on the hunt for a bowl of blancmange in which to get stuck and perish ingloriously. The socialist party does not conquer the state, it replaces it; it replaces its regime, abolishes party government and replaces free competition by the organization of production and exchange¹⁰³.

Here, Gramsci reached the attitude that demands the termination of the old state as a class and role. This raises the question about the possibility of socialist success in crystallizing a new role for the state. "If elite theorists point to the existence of a 'ruling elite' within ACSs, Marxism, at least its classical brands, points to a 'ruling class'. This distinction is critical, for which traditional Marxist accounts it is the class nature of capitalist society and the consequent class nature of the state itself that is fundamental to an understanding of power and the state in western societies... A classical Marxist account of the state is to be found in Ralph Millibands' *The State in Capitalist Society* (Miliband 1969). Miliband argued that the power within capitalist society resides within fairly cohesive capitalist class. In effect, state substantially express and acts to secure 'bourgeois' dominance within capitalist society. This is achieved because, within Britain, the US, France and other capitalist societies, state manage those in senior positions from the rank of the dominant capitalist class. In addition, the 'ruling class' can exploit its social networks to gain access to the key decision-making sites within state and civil society. The state is also constrained by the need to ensure continued capital accumulation. Taken together Miliband therefore constructed what is badly regarded as 'instrumentalist' account –in the sense that the state is conceived as an instrument of

¹⁰¹ Marx and Engels, 1972:172

¹⁰² Lenin, *State and Revolution*, in *Collected Works*, vol, 25. P.471

¹⁰³ Forgas David, 2000:40-41

capitals on the ACS^{104c}.

According to this argument the state is used as an instrument by the capitalist class. State's role, according to Milliband, is even less than being autonomous. The main goal behind the capitalist class's use of the state is to ensure the continuity of accumulation. Or by other words the highest rate of profit. But Milliband, as Marxist, should push his analysis to deal with the process of accumulation on the world scale because in the world capitalist order, accumulation never being limited into the national level. One of the major roles of the core state, the empire state (the United States) is to create and "protect" the globalized capitalist public sector. The issue of accumulation is an indirect justification of the colonization and unequal exchange with the periphery. Both colonization and unequal exchange and re-colonization are at the core of the reasons of the failure of development in the peripheral countries. Moreover, to consider state as a mere instrument in the hands of the capitalist class is in fact emptying the state itself from its human nature. There is no such thing called state without human beings. These human beings are themselves a part of the capitalist class, either as capitalists and or bourgeois intellectuals serving capital according or due to an ideological or interest motives or both. The ACS is an institutionalized one. Milliband's argument more applicable in the less or not institutionalized state of periphery, or the new Mafia state in Russia following the collapse of the 'socialist' state. The same is for the state under the military junta in Latin America of 1960s and Arab countries especially the rental state in the Gulf Oil Countries.

Accumulation OF capital never was an abstract issue. It is an operation of increasing the wealth of capitalists. It is not for the interest of the whole society.

Every social formation is divided into classes as an *effect* (cf. Althusser's "the efficacy of a structure on its elements") of the social division of labor implicit in the modes of production. Classes as such are not "things-in-themselves" that exist independent of one another and then come into conflict. Rather they come into being as diachronic *relations of conflict*. A bourgeois cannot exist without a working class from which to extract surplus value. A dominant class cannot exist without dominated class. Thus, conflict is implicit in the very character of classes and thereby in every social formation"¹⁰⁵. The question here is there a real difference between the behavior of the modern state and the ancient one in terms of class interests? It is a different in terms of degree only.

"... In preserving the cohesion and unity of a social formation riddled with class conflict the state preserves the dominance of the dominant classes. Hence, it is not merely an instrument the dominant classes use to preserve their power in society. The cause-effect relation is just the opposite: in preserving society, the state preserves the power of the dominant classes"¹⁰⁶.

This is what always called the defense of the national borders, interests...etc, which are in fact a mere camouflage to the real content of state's role.

Trying to provide a Marxist explanation for the rise of the welfare state, Poulantzas distinguishes between different phases of development of capitalism. He argues that the change from competitive to monopoly capitalism was paralleled by the transformation of the liberal (*laissez-faire*) to the interventionist capitalist state. The major consequence of this transformation is that, while the state and the economy remain or looks separate, the state takes on more and more economic functions. The state takes on responsibility for maintaining the economy through government regulation, and takes on responsibility for reproducing the economy through planning, investment, education, and training for the labor force, etc. it is in this sense that Poulantzas claims the state helps to constitute and reproduce the relations of production.

¹⁰⁴ Held, 1987

¹⁰⁵ *The French New Left: An Intellectual History from Sartre to Gorz, Mai 68*, By Arthur Hirsh, South and Press, Boston, 1981, p. 186

¹⁰⁶ *Ibid* p186.

This is why he disagrees with the base-superstructure model¹⁰⁷.

The question is that if state is separate from economy if it is a mere regulator (why we do not consider regulation as a means to keep its interests through regulation) if this is right, does globalization means that state's role became closer to an economic role? What we call the war in Iraq other than a state's role in economy, a leading role. For this role, the state invades and colonizes Iraq. The U.S state is making business by war. This is the essence of capital. This reminds us that of the features of globalization are the de-regulation of the core and the re-integration of periphery according to conditions imposed by the core capitalist ruling classes, either by un-equal exchange or by direct colonization. The last version of that is the GCPS.

Poulntzas emphasized the relative autonomy of the state and the determination 'in last instance' of the economic instead of viewing it as universally dominant¹⁰⁸.

Poulntzas thought that if the interventionist state continues its economic function, this will create a rift inside the power-block, and with the dominated classes as state policy appears more openly to be formulated with power-block interests in mind. The end result is a crisis democracy and a drift towards authoritarian statism. Faced with opposition from within the power-bloc and from dominated classes, the state seeks to justify itself on the basis of superior knowledge and technical expertise. Such a technocratic solution, however, is both elitist and democratic, and creates further strains for democracy. This opens the way for the working class to seek hegemony in a democratic alliance with other dominated classes and fractions. In particular, the new petit-bourgeois of mental and technical employees are receptive to such an alliance because they find themselves in conflict with the power-bloc.

Poulntzas argues that an alliance between the working class and the new petit-bourgeois is possible if it is based on seeking an 'advanced democracy' in which the hegemonic power of monopoly capital is destroyed and the drift toward authoritarian statism is reversed. The working class would be the hegemonic class in this alliance. It would lead the struggle for democratic structural reforms that are revolutionary because they challenge the logic of capitalist power. It is this theory of the state which provides the foundation for the Eurocommunist strategy of democratic transition to socialism. For if the capitalist state is a site of class struggle, then a revolutionary transformation of the state can be achieved without-to use the Leninist term- 'smashing' it. Reformism or social-democratization will always be a risk with such a strategy, but it is a risk that Poulntzas says must be taken since the only alternatives are variants authoritarian statism (whether Stalinist or fascist)¹⁰⁹.

In the globalization phase, especially in the United States, the middle class fall into an economic crisis through the loss of its savings in the stock market, and the working class in more deteriorated situation. It is three groups. The working class defeated by capitalist failed to create that alliance with the petty-bourgeois which Poulntzas imagined. The U.S ruling class embarks into two wars, social one inside and national one abroad. What is the alternative other than popular masses' movement and DBPP in the periphery?. Poulntzas, like many Eurocentrists did not consider that change in the core and or periphery interconnected and interdependent, this negates the Eurocommunism's analysis.

Poulntzas argues that an instrumentalist account was insensitive to the structural factors that conditioned state action, namely its need to secure the conditions for the continued reproduction of capitalist society even when the necessary action conflicted with the short-term interests of the capitalist class. For Poulntzas, the ACSs often acted 'relatively autonomously' of the capitalist class where such action was functional to the long-term stability of the capitalist order. Evidence for this, Poulntzas argued, was to be found in the institutionalization of the welfare state which appeared to conflict with the core interests of the capitalist class. These two polarized positions of 'instrumentalism' and 'structuralism' have shaped an on-going debate within neo-Marxism on the role of the state in advanced capitalist societies.

"As a result, the state acts more or less at the behest of the capitalist class.

¹⁰⁷ *The French New Left: An Intellectual History from Sartre to Gorz, Mai 68*, By Arthur Hirsh, South and Press, Boston, 1981, p. 188-89.

¹⁰⁸ *Ibid*, p. 285

¹⁰⁹ *Ibid*, p. p. 186-90.

Poulantzas, by contrast, argues that the question of who controls the state is irrelevant. Capitalist states act on behalf of the capitalist class, not because state officers consciously contrive to do so, but because the various parts of the state apparatus are structured in such a way that the long-term interests of capital are always to the fore and dominant¹¹⁰”

The question is to what extent, the development that provided by Poulentzas could gain consensus between the Marxists and considered a beginning to develop a proper theory for the state. The following argument did not support Poulentza’s point that I already raised:

Some neo-Marxists arguing about state as follows,

“However, what distinguishes recent neo-Marxist accounts is a concentration upon the ‘capitalist’ nature of the contemporary western state. According to such accounts, the state in advanced societies is essentially ‘capitalist’ not because it acts in the interests of dominant capitalist class who prevent the prosecution of alternative anti-capitalist policies. Rather, it is a capitalist state because, in the process of sustaining and reproducing its own programs, state managers must sustain and create the conditions for primitive accumulation. Since the state itself is heavily dependent on the revenues derived from the taxation of profits and wages to maintain its programs, failure to facilitate capital accumulation is likely to have politically destabilizing consequences¹¹¹”. It should be noted that the issue of maintaining accumulation process is an expansion of the analysis to cover a dynamic role which state must perform. This means that state apparatus did work in a mere mechanic manner. This leads to the discussion of the social structure of accumulation in the capitalist society who composed by the capitalist class and its dependent social allies.

This analysis goes beyond the Marxist position that state is an apparatus for the sake of the capitalist class. It is closer to the Poulentza’s and bourgeois idea on the ‘autonomy’ of the state in the advanced capitalist countries. It is trying to show that the state will or might develop a special interest for its own stuff as if they are a semi-independent social group. This might be accepted from the point that state’s stuff has an interest in the maintaining of accumulation. But this is not the core of the process of accumulation. The core here is the accumulation of capital for the re-producing of the capitalist system itself. The state here (its apparatus) might be a small part of the social structure of accumulation which mainly for the sake of the capitalist class.

This neo-Marxist approach is reformist, not a radical class based one. It avoids the class analysis. As long as the Marxist avoids the class analysis, he is in fact avoids being part or supportive for the militant project for the changing of the capitalist rule as it is explained by Marx himself.

Lefebvre argues that: “Philosophy (particularly Hegel’s), in turn, became a justification for the state. Marx’s achievement, Lefebvre contended, was to show that the state is not a neutral unifying principle above society but rather an expression of the social relations which constitute its core. Social relations serve as an intermediary between base and superstructure of society. As the realm of alienation and praxis they are the focal point of Marx’s thought. But just as Marxism is not merely a form of political economy or view of history, Marxism is also not merely a philosophy, a politics, or sociology. Marx’s

¹¹⁰ (Gordon Marshall, 1998:635)

¹¹¹ “(Carnoy, 1984:133-34)

originality was ‘to conceive as a totality, the production of man by his own efforts, his own labor...the genesis of mankind as a totality, object of every science of human reality and goal of action’¹¹².

Casteriadis applied the theory of bureaucracy as a class to the advanced capitalist nations as well. He interpreted the phenomena of increasing state intervention in the economy, the rise of the welfare state, and the rise of corporate and trade union bureaucracies as a sign of an emerging bureaucratic class that was in the process of engulfing the classical bourgeois.

In the capitalist West the state began to play a pivotal role in the economy from the 1930s on due to the inability of capitalism to resolve its crises and instability. The working class organizations, the trade union and political party structures, were gradually transformed from vehicles of challenge and opposition to capitalism as such to instruments of integration. The state bureaucracy and the workers’ bureaucracy in the West shored up (support) capitalism, which was thereby transformed into an increasingly bureaucratic system of exploitation.

The fundamental contradiction of advanced capitalism ceases to be that between the owners of the private property and the property less laborers. It is replaced by that between the order-givers and the order-takers in the production process. The bureaucracy finds its justification in rationalization and organization of production and society at large. It makes itself indispensable as the managers of society¹¹³. For Sivanandan: “The state belongs to the rich, the rich belongs to the international capital, and the intelligencia aspire to both”.

State’s False Neutrality

“In 18th Bromaire, Marx said that France seemed as a result of the coup deta’t ‘to have escaped the despotism of a class only to fall back beneath the despotism of an individual, and indeed beneath the authority of an individual without authority’. The struggle he went on, ‘seems to have reached the compromise that all classes fall on their knees, equally mute and equally impotent, before the rifle butt’ (sect.7). Bonaparte’s, Marx also said in *The Civil War in France* nearly twenty years later, ‘was the only form of government possible at a time when the bourgeois had already lost, and the working class had not yet acquired, the faculty of ruling the nation’ (sect 3) and Engel’s also noted in the *Origin of the Family*, that, ‘by way of exception’, ‘periods occur in which the warring classes balance each other so nearly that the state power, as ostensible mediator, acquires, for the moment, a certain degree of independence of both’ (ch. 9)... the regimes of Napoleon I and Napoleon III, were examples of such periods, as was the rule of Bismarck in Germany: ‘here’ says Engels, ‘capitalists and workers against each other and equally cheated for the benefits of the impoverished Prussian cabbage Junkers’ (ch.9).

These formulations come very close to suggesting not only that the state enjoys. The Bonaparte’s state as it is described above is a supposed or imagined more than a real case. Despite of the fact that the French bourgeois were defeated in terms of battle and dignity, the case that gave Napoleon III the chance to impose himself over all social classes, the same Bonaparte’s regime prepared the road for the direct return of the bourgeois class rule. Accordingly, Bonaparte’s wasn’t a neutral regime open for contradicted possibilities of new class regimes.

According to the Third World experience, military dictatorships were in fact an introduction or transitional period of a bourgeois regime that became later a comprador capitalist regime in the COP. In the case of France in Marx’s time, even if the two main

¹¹² Lefebvre, *La Somme et le reste* (Paris, 1959), p. 155. Quoted in, Arthur Hirsh, *The French New Left: An Intellectual History from Sartre to Gorz, May 68*, South End Press, Boston, 1981.p.p 95-96.

¹¹³ Arthur Hirsh, *The French New Left: An Intellectual History from Sartre to Gorz, May 68*, South End Press, Boston, 1981.p.111.

classes, the bourgeois and the proletarian were weak, and none of them were able to defeat the other, this doesn't mean that the military junta came from a totally different class origin, i.e from the space. Bonaparte's was 'good' historical example for the military coup de tats in periphery. In addition, it was an example for the un-matured, not yet institutionalized, bourgeois state in France as part of the capitalist west at that period of time.

The best way to explain the differences between what the socialist state is suppose to achieve and its reality is Che's writings. Che's writings confirm and emphasizes that socialism is consciousness, and deep conceptualization of the socialist ideas, and not a great amounts of production by any ways and under any conditions. Che stresses in his writings on the communist education to wipe the inclination towards privileges by some people, and to did not uproot it by law and command. He insists to wipe incentives as a base for competition, and he emphasizes that the socialist man de-link with the capitalist ideas and culture is possible. Through this way, the creation of a transitional state towards communism is possible. It is not the state that employs labor force in factories controlled by the name of state, but used and devoted for the *nomenclature*. This uncovers the false propaganda about the high rates of production in the collapsed Soviet Union.

In Che's critique of Stalin's manual, he pointed out that since Lenin's writings, little had been added to develop Marxism except the writings of Stalin and Mao. He indicted Lenin –who had introduced some capitalist forms of competition into the Soviet Union as a means of kick-starting its economy in the twenties- as “the culprit’ for many of the Soviet Union mistakes, and, while reiterating his admiration and respect toward the culprit, he warned, in block letters, that the USSR and Soviet Block were doomed to ‘return to capitalism’¹¹⁴”. In three decades time, following Che's critique, the USSR collapsed and it is miserably inherited by a criminal corrupted capitalism, capitalism of *maphia*.

Hegemony and State

Marx wrote on civil society: “The working class, in the course of its development, will substitute for the old civil society an association which will exclude classes and their antagonism, and there will be no more political power properly so called, since political power is precisely the official expression of antagonism in civil society”¹¹⁵ This confirm that the Civil society is: 1) a phenomenon related to the capitalist formation 2) It is inherited in a class society, and 3) This society is socially an antagonistic one.

“Gramsci and Louis Althuser, question the distinction between the state and civil society and argue that the former is integrated into many parts of the later. For example, Althuser maintains that civil organizations such as Church, schools, and even trade unions are part of the ideological state apparatus. It is, indeed, increasingly difficult to identify the boundaries of the state. Many parts of civil society are given institutional access to the state and play a role in the development of public policy¹¹⁶” This uncovers a practical fact that domination of the ruling class, could be, and in fact takes place by other means than mere repression or coercion, i.e. by consent. It maintained that there is

¹¹⁴ (Lee Anderson, 1997:697)

¹¹⁵ Marx, *The poverty of Philosophy*, in Marx and Engels, *Collected Works*, vol. 6, New York: International Publishers, 1976, 210.

¹¹⁶ (Gordon, 1998:635)

cultural and ideological role for the state. It has a role in the organization of the consent. This early discovery by Gramsci, and later by Althusser, became today more than clear. The capitalist regimes, especially in the center, are ruling by a consent created to a large extent by the media. While the media machine is a private property, it is in fact re-educating the people by the free market ideology. In the end, it is an expression of the joint interest (economic, political and cultural) between the state apparatus and capital.

As a private property, the part who owns it is the ruling capitalist class.

The change of the world, as the socialist goal, should take place by providing the human beings by a new culture, intellectualism and education, the Cultural Revolution. When the Soviet state replaced by the bureaucratic “socialist”, the bureaucracy, took the easier way which to substitute the capitalist state by a repressive, very poor intellectual, socialist state! Unfortunately, this was of the main reasons behind the collapse of the ‘socialist’ states. The classes whom the “socialist state” were supposed to be its own state, the proletariat and the peasantry, never jump to protect it when its collapse started by the top *nomenclature* leader Gorbachev. The irony is that the same classes that benefited from the socialist state, the *nomenclatures*, is the class that decide to disintegrate it.

Withering of State

It should be noted that Marxism’s aim is not to substitute the bourgeois state by a communist state. The issue for Marxism is not to substitute, but to abolish the state. This means that it is necessary to work on a social reality that is able to transcend the state and its role not to strengthen its role. Accordingly state in the Soviet Union was too far from Marx’s theory of state that developed to wither.

“The first act by virtue of which the state really constitutes itself the representative of the whole society- the taking possession of the means of production in the name of society- this is, at the same time, its last independent act as a state. State interference in social relations becomes, in one domain after another, superfluous, and then withers away of itself; the government of persons is replaced by the administration of things, and by the conduct of processes of production. The state is not ‘abolished’. It *withers away*” (p.385: italics in the text). This, and many other references to the state in the writings of Marx and Engels, show the affinities of classical Marxism to ANARCHISM: the main difference between them, at least in regard to the state, is that classical Marxism rejected the anarchist notion that the state could be done away with on the morrow of the revolution”¹¹⁷.

Some Anarchists argues the opposite. They believe that the revolution must be protected through the cooperation of the communes. Their point is that the party shouldn’t rule instead of the communal councils as a protection from the deterioration to bureaucracy.

Bakunin argued “ the alliance of all labour associations” would “constitute the Commune” with a “ Communal Council” of delegates “invested with binding mandates and accountable and revocable at all time.”

¹¹⁷ (Bottommore, 1983:523)

These communes had to organize “to defend the revolution” and would “form a communal militia. But no commune can defend itself in isolation. So it will be necessary to federate with [other communes] for common defence” and so “organize a revolutionary force with the capacity of defeating the reaction.” This also answers the assertion that Anarchists do not see that “the local institutions of democracy need to co-ordinate themselves at regional and national level.” Like all anarchists, Bakunin is arguing for a federation of (to use the author’s words) “workplaces and community councils.” I should note that this was five decades before Lenin belatedly argued the same in 1917¹¹⁸.

Here we might grasp how Marxism transcends anarchism since Marxism is trying to elaborate a theory for bridging the gap that extend between the collapse of the bourgeois state and the era when the society reach a state when the government of persons is replaced by the administration of things. But, while Marxism is more practical than anarchism in this issue, Marxism itself falls into a crisis of two edges: The challenge to develop a non-statist alternative to the state and the complexity and difficulty to produce this alternative in reality. The crisis even deeper according to how the ‘socialist’ state developed! Can we deduce from this result, the collapse of the Soviet Union, that Marxism did not realize the following two main issues: The first is that to squeeze history and jump to establish a transitional state, socialist state, you need a large social consciousness, or at least that the communist party must be developed enough to achieve this goal. But both cases never happened. The second is that the Marxists shouldn’t squeeze history, they must fight in the capitalist society which in parallel with more education, access for information, technical advancement will finally create by itself the proper environment for things administration. However, we are discussing an issue that will stay open for a long time to come.

“Communist and socialist anarchists argue that the state services primarily to support the interests of capital’s domination and exploitation. If the private ownership of capital and wage labor could be eliminated, people would tend naturally toward collective, cooperative social arrangements in which order could be maintained without coercion from a centralized authority. Disagreement between Marxists and Anarchists arises over the question of whether it would be necessary to maintain a coercive state in the transitional period between the fall of capitalism and the emergence of true communism¹¹⁹”

But Johnson never told us how the private property will be eliminated? This is the main issue because, for the Marxists, the elimination of private property must take place in the transitional period, i.e. socialism,

The question here is, when humanity under socialist regimes will be able to reach the state that ‘designed’ by Marx in the *Critique of Gotha Programme*, how can the state in such a society be converted ‘from an organ superimposed upon society into one completely subordinated to it? Socialism is consciousness, not only production and economic prosperity.

The state in the former Socialist countries became bureaucratic, socialism from above. Their aim and plans was to prove that they were motivated by concentration on fast industrialization. This is a state of economic growth!! What they achieve through the concentration on economic growth is that they once became close to the Western capitalist level of economic development in the beginning of 1950s (Sweezy and

¹¹⁸ (Iain McKay, We mean it, in *Socialist Resistance*, no 14 March 2004, p.

¹¹⁹ (Johnson, 2000:12-13)

Bettlehiem, 1971). But culturally and intellectually they were very far from socialism, and even economic development after 1950's highly lacked behind imperialist capitalist countries. That is why their end result was the collapse.

Bureaucracy and State in the 'Socialist' Countries

The traditional Marxist view of bureaucracy derived from Marx and Lenin's view of the state. In his critique of Hegel's *Philosophy of Right*, Marx faults Hegel for accepting the claim of Prussian bureaucracy to impartial and universal representation 'above the fray of civil society' In the administration of its tasks the bureaucracy claims to represent the social whole by artificially separating itself from classes in society. In fact its administration of the state preserves and furthers the social dominance of the reigning classes in civil society.

Contrary to its claims of proficiency and expertise, Marx subscribes to the popular view of the bureaucracy as the reign of red tape and the role of incompetence. "The bureaucracy is a circle from which no one can escape...The highest point entrusts the understanding of particulars to the lower echelons, whereas these, on the other hand, credit the highest with an understanding of the universal"¹²⁰

Lenin was worry of the bureaucratization of the Soviet Union as long as it has a state. But he realized that state is necessary in the socialist period. That is why he argues:

"Abolishing the bureaucracy at once, everywhere and completely is out of question. It is utopia. But to smash the old bureaucratic machine at once and to begin immediately to construct a new one...is the direct and immediate task of the revolutionary proletariat"¹²¹.

But what did took place in the experience of the 'socialist' countries is that all of them ended to a countries ruled by a bureaucratic state/class. The failure of the Soviet bloc catch with the capitalist core, proves that bureaucracy never create development but de-development and a class society.

Indeed Lenin openly advocated a system of state capitalism administered by the state bureaucracy. "At present the postal service is a business organized on the lines of a state-capitalist monopoly ... to organize the whole economy on the lines of the postal service...is our immediate aim...All citizens as transformed into hired employees of the state" (Lenin, *State and Revolution* (New York, 1943), p. 43, 83).

This become a justification for some socialists to argue that the state rules because the proletariat still unable to rule. One of the results of this justifications is that the revisionist communists parties in power did benefited from this Lenin's argument and took from the capitalists the camouflaged role of state as the protector of the bourgeois interests and change it by another, to establish a bureaucratic class regimes in the former 'socialist' countries. This contradicts what Marx wrote and Gramsci's emphasis, that the socialist party does not conquer the state, it replaces it, it replaces the regime, abolishes party government...etc. For the liberals, this intervention is not totally open, but its different is in level between one and another. The Structuralisms adopted the same attitude that is: state intervenes to a certain degree. (Hunt, 1989:46)

After the bitter experience of the socialist camp Lebowitz still believe in the declared vgood well of the state, He argues " Endogenous development is possible—but only if a government is prepared to break ideologically and politically with capital, only if it is prepared to make social movements actors in the realization of an economic theory based upon the concept of human capacities. In the absence of such a rupture, economically, the government will constantly find it necessary to stress the importance of providing incentives to private capital; and, politically, its central fear will be that of the "capital strike." The policies of such a government inevitably will disappoint and demobilize all those looking for an alternative to neoliberalism; and, once again, its immediate product will be the conclusion that there is no alternative".(Monthly Review

¹²⁰ Marx, *The Critique of Hegel's Philosophy of Right* (Cambridge, 1970), p. 43 Originally written in 1843

¹²¹ (Lenin, *State and Revolution* (New York, 1943), p. 47.

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Lebowitz attributes the leading role and decision making to the government, i.e. the state. He never told us if this state is freely elected, is it controlled by a political party, and what is more important is who control this government and guarantee that it will not degenerate to bureaucracy?

In the former Soviet block, state controlled the society by two means:

- 1- The deviation of the Marxist theory to an ideological propaganda which preach for a false socialist Paradise of Eden.
- 2- The force of secret police.

Accordingly, the political power of the revolution did in fact deteriorated to the power of the police. What should happen is to develop the cultural power of socialist ideas and welfare to attract people. Unfortunately, this never happened. The regimes of the 'socialist' countries failed to serve the masses and to behave in a good manner to be a symbol that, through its justice, educates masses to be in defense of principles than interests. Because the regimes were corrupted they failed to educate the people or upgrade their consciousness. It is impossible to create a socialist economy and country without a society and socialist regimes consciousness re-education, cultural revolution and commitment. The same conditions are more necessary to protect socialism itself.

It is always important for the capitalist state to achieve at once, accumulation and legitimacy. The same is for the socialist state. But, accumulation beside bureaucracy took place at the cost of achieving legitimization through socialist development, cultural advance and Cultural Revolution and finally at the cost of socialism and communism.

State's Intervention, in Periphery Big Push, Development, or Compradorization

Some liberal western writers used the so-called reconciliation role of the state and attribute the same role for the state in the COP. They predicted that this state is able to practice the Big Push for the economies of their countries, despite of the fact that the founder of the Big Push theory, Rodan, argues the opposite. Paul Roesentain-Rodan is the founder of Big Push, never designed it for the Third World. It is for a special case, for Europe after the World War II. The goal of the financier of Marshall Plan, the U.S ruling class and establishment, will never repeat it for the Third World. What applied in Marshall's plan is not designed to the Third World. Marshall's project is a political and ideological bourgeois one designed for Western Europe.

In this context Mehmet noted: "After the war the Marshall Plan, and the European miracle which it financed, seemed to conform the Big Push theory based on massive infusion of American aid. So, in this optimistic climate, the European success story was to be replicated in the newly emerging Third World under American leadership¹²²,"

There is no rationality to imagine that the imperialist countries will support the

¹²² (Mehmet, 1995:67)

poor countries as the U.S did by Marshall Plan to help the western capitalist Europe. The reason is not the different circumstances. The main reason lies in the deliberate polarity policy of the imperialist capitalist system itself. If imperialism will be generous that much to develop the COP, the world system will transcend its polarity or in other words will kill its capitalist goal. The last fifty years proved that the Big Push is designed for the 'cooperation' between the imperialist countries. The 1993 invasion against Iraq is a "big knock". It is an occupation of a country to steel its wealth and to stop its take-off.

State's role in development proofs as its role in accumulation did, that it is neither an instrument nor a neutral body, but a part of the capitalist system which dominated by the capitalist class. The core-developed countries controlled its surplus for accumulation, achieved development, growth and even a substantial progress in human rights from the white bourgeois perspective and only inside its own country despite of the socially unbalanced application of it. But the same core countries, achieved and still achieving that accumulation while plunders the rest of the world, the COP. Most of the COP economies are tied with the imperialist economies through an unequal exchange devoted for the benefits of the Western capitalist center while the ruling comprador regimes there got the trickle down share. Their popular classes got nothing, they are subjected to a severe exploitation..

Rostow as the same as others, the profit of capitalism who "...ended up legitimizing state intervention in Third World development, based on planning and foreign aid –a contradiction which did not escape the attention of another profit of capitalism¹²³. The question here is: from what perspective Rostow advice the state in the COP to interfere? Is it some thing different from the motives of a western mandate? If Rostow knows about the corruption of the COP's state, will he change his mind? Sure not.

Hirschman too identified an interventionist role for government in guiding resource allocation. To maximize the rate of development, investment should be encouraged in branches of production with substantial backward and/or forward linkages. His analysis can be interpreted as providing a justification for backward-linked import substitution (starting with consumer goods production)¹²⁴. The result of state intervention in the Third World through Import Substitution did not produce development as well. "In its political assumptions, Import Substitution Industries ISI was statist, enhancing, rather than reducing, state intervention to generate comparative disadvantages in labor-abundant economies. In short, the ISI strategy was a powerful force promoting capitalization via foreign equity ownership, especially when account is taken of transfer pricing opportunities from intra-firm transactions designed to spread the tax obligations of MNCs across different jurisdictions" (Dunning 1992: chap. 18.3) It is no surprise that within a relative short period of time ISI led to host-counter-MNC conflicts while also contributing to subsequent chronic balance of payments crisis and foreign indebtedness (Mehmet, 1995, 83-84) The problem of ISI is bigger than that. One of its major problems is that it was a transitional station or period which stifles the national liberation

¹²³ Friedman Milton, 1958 'Foreign Economic Aid; Means and Objectives' *The Yale Economic Review*, Summer. Quated in Memhet (Mehmet Ozay Mehmet *Westernizing the Third World: The Eurocentricity of Economic Development Theories*. Routledge, 1995, p72.

¹²⁴ (Hunt,1989: 60)

movement and paved the road for the comprador capitalist regimes.

“Lal (1985:103) was perhaps the most assertive; in his book *The Poverty of Development Economics* (1985) he attacked the ‘dirigiste’ dogma of early postwar theories, such as Myrdal and Hirschman, for sacrificing market forces for government intervention in the economy. Lal’s criticism, symbolic of neo-classical *Laissez-faire* doctrine was that state intervention has caused ‘policy-induced’ distortions worsening, rather than helping, economic development: here the discussion is revolving around two bitter choices, because both of them are for the interest of the same class. The state represents the private capital (sector) and the market represent as well. And in both cases, in the COP, what is taking place is the integration into the world market not the de-linking with it.

Rosenstein-Rodan emphasized that state intervention in the underdeveloped economies is necessary as long as the market failed to generate development. While he consider that some form of industrialization is necessary, he attribute to the state in the underdeveloped countries a role in developing labor-intensive industries, in the over-populated areas.

The obstructed development in many COP, enable the state to replace the private sector that always covered by being named the market forces. This made state intervention out of discussion. The wisdom here is that market play a role in the capitalist Europe not because the state’s role was restricted, or because the market is better than the state, or because state and market are contradicting each other in reality, but because both of them state and the market, i.e. the state and capital not market, worked hand in hand. Capital is a social relationship, and market is a place which got its status when capital uses it. While the reality in periphery is different from that of the core countries, by this doesn’t mean that the state is the proper tool for development.

Peter Bauer and Basil Yamey argue that, in general small-scale producers in the Third World are highly market-responsive, and that relative prices guide their production effort¹²⁵. Governments of underdeveloped countries, rather than trying to mobilize large quantities of capital for public development expenditure, should concentrate upon removing the numerous impediments to private saving and investment.

“These include the imperfect maintenance of law and order, political stability, unsettled monetary conditions, lack of continuity in economic life, the extended family system with its drain on resources and its stifling of personal imitative, and certain systems of land tenure which inhibit savings and investment’ (ibid:132).

The role of governments is not to interfere with the operation of market forces, but to concentrate upon making markets operate more efficiently and upon ensuring widely dispersed dissemination of new technical knowledge to private producers.” (ibid, chapter 10, quoted in Hunt,1989:61)

What these bourgeois western writers are trying to do here is to impose and generalize the experience of the core countries over the COP. This duplication is one of the main sources and ideas which led a large number of the COP to adopt the “Open Door” policies that led to the termination of the achievements of the bourgeois nationalist regimes, between (1950s –1970s). The un-holy cow of the neo-liberals is the private sector, which in the final analysis the capitalist class. For the West, this class is a special one in the COP because it is ready to continue as comprador and dependent to the center

¹²⁵ (Bauer and Yamey, 1997).

of imperialism. For sure, the neo-liberals, like their ancestors, the liberals will neither advise the Third World to adopt socialist development, nor to apply DBPP which is by and for the popular classes.

A critical presumption behind mainstream economic development theorizing was an optimistic view of the 'state'. It was accepted as a matter of faith that the 'state' would act as the modernizer and the developer acting as an unbiased actor, with *zero transaction costs*, in allocating scarce resources to promote national prosperity through economic growth along the path prescribed by neo-classical theory. Only a handful observers notably Myrdal in his massive *Asian Drama* (1968), dissented from the general presumption of a state equally competent everywhere to guide economic development. Myrdal classified states into 'soft' and 'hard', in order to reflect differing institutional capacities, and he took great pains to examine economic development in historical and interdisciplinary term.¹²⁶ Through this sharp argument, which emphasizes on the different historical circumstances between center and periphery, Myrdal became a distinguished case between the non-Marxist economists.

Despite the fact that most of the liberals are talking about a limited intervention by the state of the core countries, no body is able to know when the state will intervene?. Or why and to what extent. The state interfere by itself and according to its class interests. Despite of the fact that some of them suggests that state in the COP to did not intervene or interfere in a limited manner, the COP state intervention wasn't fruitful. It is worth noting that the many liberal economists demand more reduction to the states role in the center, and an increase of its role in periphery. Our question is: does this 'advice' based on a good understanding of the situation in the COP, which are very different from each other or it is based on a racist colonial attitude which believe that the best for the COP is to follow their colonial masters. But, if we consider that blocked and un-equal development caused by the polarity of capitalism, the result is that the chance for periphery's development is null as long as it is following the capitalist path and the open door policies with the world markets.

Finally my argument in the abovementioned is more to criticize state's role than to criticize state's intervention. It is to create an alternative to the state itself, not to its role only. On more elaborated way, I am criticizing the principle of attributing to the state that big and decisive role in the issue of development. The attribution of development and accumulation to the state is to a large extent a common position between most if not all economists of modernization and development.

Human experience increasingly proves that the role of the state is a changeable issue. As every thing it is not static. Accordingly, if the state was a good vehicle for development, mainly growth, in a certain period of time, and in a certain society, it is not a condition that the state is able or, in fact willing, to play the same role in other societies and periods of human history of the world, in addition to the fact that to measure development by growth rate is deceiving. Any writer who deals with the state as an independent issue separated from the class origin, role, and interests is in fact supports the ruling class. When a state plans and enhances development, it is in fact doing that because it is for the sake of its own interest. When a state is not keen to conduct development, one of the reasons of its failure is in fact that its interests, as a class interest,

¹²⁶ (Mehmet 1995: 122)

contradicting development. That is why, what is substantially there is the economy, the interests and even the culture of class, not that of nation, or of state. The criticism in this chapter is not limited into the theories that support state's role, but to the state's policies itself as well.

It is necessary to differentiate between the European state in its early time (the 18th and 19th centuries) and the structure of the World Order and that of the world of today. What I meant is that even if the state of the Third World now want to do the job which done by the European one, it is now impossible. Accordingly, there is no common and identical role for the state in every time. It is a development fundamentalism to ask the COP state to follow the same route of the core state that took place before few centuries. History is changeable, and the same is for the role of state.

Following Sep11th events in the United States, especially since the formal regimes in most of the world became agents to the US ruling establishment, and the globalization of opposition in many countries of the world to become agents for the U.S globalized empire, the role of the state in development and ruling became more dangerous. That is why it must be resisted. It must be replaced by DBPP.

The Twentieth Century witnessed a major state's role. Huge bureaucratic apparatuses, in the socialist states following October revolution, and the luxury state following the Keynesian revolution in the capitalist west as well. Many argued that this state's role worked against accumulation, and finally against the rate of growth. While there are several opinions towards this point, we think that this issue related first of all to the class balance of power. In the socialist state, state's role, even as bureaucratic, was the result of the defeat of capital by labor, at least before the socialist states entered the openly revisionist era under Khrushchev. The socialist state achieved rapid growth under bureaucracy, but bureaucracy itself was the same environment which created the nonmenclatura, i.e. the new class enemy which recreate or re-strengthen the capitalist roaders in the USSR. In the capitalist center, the luxury state helped creating the dynamism of consumption which was a motor of growth on the one hand and enable the workers to coop with life under capitalism which is in the final analysis extends the life of the capitalist state. What hurts accumulation was in fact the supply-side crisis all over the world, especially in the COP because the unequal exchange continuously did suck there surplus to the extent that these countries after nearly seven decades of political independence never "take-off" and dragged into more poverty. The result of this crisis ends up to a victory of capital over labor all over the globe. But as a generalized and substantial victory, it is in fact a victory of capital over people. This might be the reason why the movement against war and globalization is a more popular than a class one. This raise the question of weather the victory over capital will be achieved by any means other than a popular classes' revolution?

Chapter Five

SOCIO-ECONOMIC AND POLITICAL PREMISES OF

EMERGE OF DBPP

Introduction

A Development model never become mature or genuine as long as it fails to cover any of the political, social and cultural instances, taking into consideration that development covers all these instances in addition to the economic one. Accordingly, to develop a development model needs an anatomy of the social, political and cultural development that this model grown in or with. It should be noted that development is closer to the material (economic) factor in comparison to other factors, but development is first of all a class issue. The socio-political and cultural aspects became important in its relationship, interaction, and effect in the material factor. These factors influence the material one and made it able to communicate with and gave it its large perspective. Any political decision made by a ruling class, as its own choice, is in fact representing this class' interests in comparison, and/or contradiction to other classes.

The Arab-Zionist conflict in general and the core of it, Palestine, in particular is an intensive case study of the World System. Israel is the center and the OTs is the periphery. This is not the place to explain the socio-economic formations in the two places (Israel in the first occupied part of Palestine in 1948 and the WBG as the second part which occupied by Israel in 1967) the two parts compose all of Palestine. It should be noted that the imperialist regimes called for a Jewish settler state in Palestine long before the emergence of the Zionist organization. Many imperialist leaders, the French emperor Napoleon 1798, and Lord Palmreston the British Secretary of State 1840, were encouraging the Jews to settle in Palestine and to create a Jewish state there.¹²⁷ In 1897 the Zionist movement, encourages by the imperialists' held its first conference in Basel (Switzerland) and made it clear that they will establish a Jewish state in Palestine. Herzl, the Zionist movement leader repeat what he wrote in his book, *The Jewish State*, that this state will be a barrier between the civilized West and the barbaric East¹²⁸?

Under the protection, support and armament by the British imperialism, capitalist mode of production has been implanted in Palestine for the Jewish settlers who especially and deliberately brought to Palestine to create an imperialist watchdog in the region. During the era from 1917-1948 there were duel economic system in Palestine. The Jewish capitalist economy which supported by and articulated with the world capitalist system led by the British imperialism, and the peripheral capitalist Palestinian economy which mixed of articulation of traditional, non-capitalist and semi-capitalist modes of production. In 1948, the number of Jewish settlers in Palestine jumped to 650,000. The Palestinian people were 1.5 million. The will armed Jewish settlers evicted one million of

¹²⁷ The number of the Palestinian Jewish population, were several thousands until the end of the Nineteenth century. The emigration of Jews from Europe and many other countries of the world including the Arab countries multiplied the number of the settlers drastically. The waves of the Jewish immigrants especially from Europe to Palestine were as follows: 25,000 in the period between 1880-1903, and 34,000 between 1904-1914, and 35,100 between 1919-1923, 71,798 between 1924-1931, 224,784, between 1932-1939, and 118,300 between 1940-1948. (Deducted from the *Israeli Statistical Abstract* , 2000, p.p. 41-45). It is clear that the largest number of the Jewish settlers to Palestine came under the British colonial rule, 1917-1947. By 1948, the total number of the Jewish settlers in Palestine jumped to 650,000.

¹²⁸ The mentality of barrier, or wall, is deeply entrenched in the Zionist movement. The last version of it is the Wall which the current Zionist regime building inside the occupied West Bank which confiscating 42 percent of its land.

the Palestinian people from 78% of their homeland, what remains was 120,000 Palestinian¹²⁹. Following the eviction of the Palestinians from (the occupied part in 1948), their mere social fabric demographic, economic and geographic existent has been totally dismantled.

The same dual economy repeated after the occupation of the rest of Palestine, the West Bank and Gaza Strip WBG in 1967. In the first few days of the occupation, the Israeli occupation authorities cut all WBG's economic ties with the world by issuing military orders and tied it with the Israeli economy. The whole WBG economy became captive by the Israeli economy. In this situation, Israel became the center, and the WBG the periphery, the colony. What is important in this level is not the industrial and productive gap between the two parties only, but the Israeli control of all aspects of life in the WBG.

Through both eras of the center-periphery colonial relationship or dual economies in Palestine, 1917-1948 and 1967-till now, the capitalist route failed to be fruitful in the Palestinian economy especially as a dependent and colonized by the Israeli developed capitalist one.

The Palestinian Leadership (P.L.O and later the P.A) and Development

As for the Palestinians of the WBG case, as the case study of this part of the book, the political instance played a significant role in the period that preceded the so-called peace agreements between the P.L.O's leadership and Israel 1993. The P.L.O leadership went for Madrid-Oslo "peace" process with the U.S and Israel even without coordinating with the Arab rulers whose most of them are comprador capitalists and friends and allies to the United States as well. According to this 'peace' process, the PA became in charge of civil administration over the Palestinian population in the WBG. By other words, the leadership of P.L.O returned to the WBG under the umbrella of its enemy, the occupation. That is why Israel maintains the control of the WBG's land, economy and even the population, a domination that always justified by the so-called Israeli 'security' reasons.

The narrow economic elite, or in its best case, class interests of the PA leadership gained priority over the interests and goals of the popular classes, which are national liberation and development. All these developments put in fact, the economy of the ruling elite, in contradiction with the economy of the popular classes. This made the program of the ruling elite (the acceptance of an autonomy with dependent and even integrated

¹²⁹ According to Moshe Sharet, ... Ben-Gurion and his 'officer junta' as he called them, believed that only a permanent state of war could turn the immigrant rubble into a 'new Hebrew man. (The Global Political Economy of Israel by Jonathan Nitzan and Shimshon Bichler, Pluto Press, 2002, p. 102.

In the mind of Ben-Gurion and the officers, wrote Sharet, 'Israel has no worries, neither international nor economic. The question of peace does not exist. What happens in the region and in the world is irrelevant. In their view, [the state] should see war as the principal and perhaps only means of increasing welfare and keeping the moral tension... [The retaliatory operations] are the elixir of life... The help us keep the civil and military tension. Without them, we wouldn't have a fighting nation, and without a fighting regime we are lost... For this purpose, we can concoct dangers, indeed, we are obliged to. Give us a war with the Arab countries and all our troubles will be over... Ben-Gurion himself once uttered that we should take an Arab and pay him a million Liras to finally start a war' (Sharet 1978:vol. III, pp. 1021-2), quoted in Jonathan Nitzan and Shimshon Bichler, Pluto Press, 2002, p. 102.

economy with that of the occupation) different from that of the popular classes (which is development and independence). The case in hand is the comprador program for gaining the maximum trickle-down in contradiction with the popular classes' goal for freedom, the right of return of the Palestinian refugees, and development.

It should be noted, that P.L.O's inherited lack for development conception before Oslo, was the same reason that made the era after Oslo lacks for this conception and policies as well. As this is the case, the Palestinians after Oslo found themselves in the same dependency situation on the enemy's economy and/or the donor countries and NGOs whose main aim is to maintain the peace for capital as long as it is serving Israel at the cost of the Palestinian people. The second Palestinian Intifada uncovers and emphasizes all these weaknesses.

The Israel's brutal repression of the Palestinian people in terms of shooting, wounding, destroying homes interrupt the economic function of the agricultural and industrial sectors, firing workers who were working in Israel, minimize the economic circle in the PA areas to a very low level, and made it with no dynamism: Unemployment jumped to 40-60 per cent, and the rest of the working class are not really gaining a real jobs and enough salaries. Factories works with low capacity, many farmers are unable to reach their fields, in addition to the continuity of land confiscation. The only parties who's income never interrupted or even increased was the Palestinian authority either from taxes, the donor countries or from the Arab assistance...etc. Accordingly, this authority played the role of the 'financier' of the economy, the financier of the last resort. The other party was the NGOs whose salaries, as a foreign source, did not interrupted.

The economic machine during Intifada II started working as follows: there are nearly 160,000 employees by the PA. They got their salaries and fueling the economic machine by buying their food, clothes, paying rent...etc. Reaching this situation, the domestic market shrinks became of its relative dependence on the salaries of the PA's, and NGOs employees spending. This financing role, in addition to the PA's clever step in jumping to 'lead' Intifada through its tactical 'military' participation in the struggle against the occupation army, did help in hiding its corrupted and non-democratic policies since the beginning of its rule 1993.

P.L.O's non-Development Mentality

My knowledge of the P.L.O's mentality and ideology enable me to criticize it since mid 1970s. I realized that P.L.O's leadership is unable to achieve neither the liberation of Palestine, nor development and democracy.

I expected that the P.L.O organizations will deteriorate to compromise for a peaceful settlement and that it will work hand in hand with Arab regimes to reach a political settlement that pave the road for the termination of the Palestinian people's rights, especially the Right of Return¹³⁰. But, this form of critique never being enough to be reached and developed by single person or elite. As long as it never developed to create an organized social movement, it is in fact limited into an awareness of few unorganized individuals. In that analysis, I declared that P.L.O would not achieve a real Palestinian state, even in the WBG, and if this state will took place, it will never be a real

¹³⁰ Adel Samara, *Azmat Al-Thawrah Al-Arabiya Wa-Inhitat Camp David*, Dar Il-A'amil publications, Ramallah, 1979.

or democratic one.

It wasn't logical to predict that the military leadership elite of P.L.O as a very dictator and individualistic one, will become a democratic when it will seize power. The creation of the Autonomy, 1993 means that the PA wasn't a result of seizing power by liberation, but according to a compromise with the occupier and its imperialist masters in the center. This supports my critique.

The ignorance of development was one of the earliest and most fatal P.L.O's leadership shortsighted. This leadership continuously got a lot of money liquidity, from many counter-revolutionary sources in an easy, but cheating and deliberately elaborated manner to de-radicalize the Palestinian resistance movement. This was a main reason why P.L.O leadership, never consider development as part of its agenda. In the place of development, this leadership maintained a policy of bribing as much as possible of the active people to contain them by making them dependents on it in their daily life. These militant people lost their professions through two to three decades of not practicing their profession and work as mere militants. When P.L.O leadership decide to compromise and evict Beirut to Tunisia, 1982, and to go to Madrid negotiations and to sign Oslo Accords, (1990-1993) the same dependent cadres found no alternative but to agree, follow and obey simply because they were already lost their revolutionary spirit and, have no other alternative sources of living, especially because they getting old on the one hand, and they were living in Arab countries who doesn't breed a revolutionary movement to absorb them on the other¹³¹.

During the first few years of the 1967 occupation, there wasn't a possibility for a development strategy to be designed or applied taking into consideration the well known Israeli aims and policies of transfer the Palestinian people when it will be possible, it doesn't matter any time in history. In that period of struggle, the people were fighting to guarantee their right of staying in their own land. Under the direct occupation, there wasn't any local Palestinian authority. In addition, the P.L.O leadership never considers development. This made the self-dependence at the individual and communal levels, as a vital factor. It was mainly limited into the level of family self-dependence. There wasn't any economic national strategy or guidelines. What was possible is a role for independent producer in particular and what I called the tactic of the "possible ceilings", i.e. the areas and spaces that we could compete with the enemy's economy without being in a direct economic confrontation with its strong economic establishment that supported by the state and the core capitalist countries. On other words, it is an economic tactic for resistance. The possible ceilings are the areas that the enemy's occupation still unable to cover or doesn't have a strategy for covering them. It is similar to Gramsci's theory of the war for conquering positions as a preliminary step until being strong enough to launch struggle and gain victory at large fronts.

"I did argue before in more than article since 1975 that it is imperative for the Occupied Territories' economy to move and concentrate towards exploiting the possible investment and productive ceilings that are not confronting the most powerful economy of

¹³¹ This is related to the deterioration of political parties in the Arab Homeland since the 1970s of the last century. Many of the political parties who stated their political struggle against the ruling classes in the Arab countries, renegade to compromise the same regimes. Many political parties in the Arab Homeland infiltrated by the NGOs in a process I call the NGOization of political parties.

occupation. The possible ceilings are a small nets and spaces that the economy of the occupation did not get into or compete for. It is an economic resistance through development”¹³²

The possible or potential ceilings were an appropriate development tactic because of several reasons, some of them where the weak understanding, if not, the total ignorance of the Palestinian national movement for a development strategy. In addition to the fact that, it is the possible ceiling’s economic policy appropriate for a social formation where the economic, social and political structure were dis-integrated.

One of the striking examples of the P.L.O’s ignorance mentality towards development is the experience of the joint Jordanian-Palestinian Committee. A committee established by 1978 following the Egyptian regime’s “peace” agreement with Israel. This committee was supposed to support the Palestinians of the WBG in a development manner. For instance, to give loan to development plans. But, in reality its activities in the WBG kept devoted for the rich owning class, the capitalist class. Its target group was the Palestinian manufactories’ owners who got large amounts of money, but never invest it inside the WBG. They deposited most of this money in foreign banks abroad which made the process as money laundering. The main reason of their behavior because they themselves were sub-contractors with the Israeli industries. Most of them lacks for the productive national mentality and culture. In fact, the Arab rulers did assist their similar Palestinians. Another aspect of its activity was to lend for housing. The client who deserves a loan is that who owns a piece of land in a suburb of a city. Those who were able to meet these conditions started from the upper middle class and over¹³³.

Far from the bourgeois Arab/Palestinian school of ‘development’, the popular classes develop, during their struggle in Intifada I, a new development strategy, the DBPP.

“But, the conception of DBPP and the internal withdrawal offers us now a better environment that made our argument for small nests and possible ceilings a shy one in comparison to the new reality. They are new perspectives that push us to transcend that humble strategy of the possible ceilings. The DBPP transcends the possible ceilings policy towards a new popular democratic environment that creates the well for boycotting the occupation’s products, or to call it the consciousness of what to consume. The environment that grown with Intifada I meant that there is a new opportunity much larger than it was in the past, it is the opportunity in which the masses are full of eagerness to consume the local products. This is by itself an important incentive for domestic investment” (Samara, 1975 and 1987:131-32)

There was a lot of pretends from PLO’s leadership, prior to Oslo Accords, 1993, that they will make the West Bank and Gaza as a new Taiwan or Singapore. I wrote, at that time that the imperialists will never accept any Taiwan, in the region other than the current one, Israel. This model, if it is going to be created, will impose on the Palestinian people the highest rate of exploitation in addition to de-politicization, cultural’ dis-

¹³² Adel Samara, *Iktisad Al-Manatiq Al-Muhtallah:Al-Thakhaluf Ua’ miq Al-Ilhaq* (The Economy of the Occupied Territories: Underdevelopment Deepening Integration) Salah Ed-Din Publications, 1975 Jerusalem.

¹³³ For this purpose many cooperatives has been registered to got loans for dwelling. The lending of these cooperatives was according to the competition between the Jordanian regime and P.L.O political for recruiting political loyalty. Of the twenty four members of Ramallah Journalists cooperative (registered in 1981) has been accepted by the committee, while two has been rejected as Marxists, I was one of them.

integration, gender discrimination, and dependency on the in-human environment polluting foreign corporations. Any ways, this never happened, what applied and prevailed was in fact the 'political economy of corruption'.

When the P.L.O leadership brought to rule in the WBG, the PA decided to do jointly with the Israeli side is to start a Free Industrial Zones (FIZ)¹³⁴ inside the WBG borders of 1967 with Israel. Despite of the destructive exploitative nature of these FIZ, the occupation did not give them the chance to expand. One of the reasons is that some Arab countries, like Jordan, opened a sub-contract and Joint venture companies with the Israeli capitalists in their own land. But this is another story¹³⁵. In the second Intifada, all the planned projects of FIZ were frozen.

Intifada I: Poor Timing and Opportunistic Leadership

In parallel with Perestroika's disintegration of the Soviet Union, the Palestinian Intifada I took place. What a bad timing for the Palestinian people's struggle! The whole world became under the U.S domination which is against any form of development all over the Third World especially in the WBG were the Palestinians struggling against Israel, as the US imperialism's main base in the Arab Homeland.

There was a lot of exaggeration about the possible expectations of Intifada I. The P.L.Os' leadership decided from the mere beginning of Intifada to use it as a tool for political gains, i.e. to gain through Intifada a "Palestinian state". This leadership never thought of developing the social/economic and cultural dimension of Intifada, or in other words, development. The leadership was dreaming for a political power without making any evaluation to examine if that is possible or what high its costs will be. I wrote since the first few months of Intifada I that it is a higher stage in our struggle, but it is unable to generate an independent Palestinian state. That is why I did emphasize on the development of the socio-economic factor as well.

"As the reader can observe, I am not ignoring the existence of occupation. What I meant here is that Intifada despite of all its important effects, and what it will generate is unable to and we shouldn't ask it to wipe the occupation that fast. That is, if we ask Intifada or expect it to crash the occupation that fast, this means that we put the masses in challenge of a very concrete and limited demand which if the masses fails to accomplish will lead to a state of depression we are not in need for"¹³⁶.

Despite all good function of the Intifada's I Unified Command, I am still consider it as one of the factors of the collapse of the popular content of Intifada, because it falls fast under the commands of P.L.O leadership in Tunis (which called at that time "commands by fax"). The sole aim of the Tunis leadership was to gain a political solution from Intifada, i.e. a Palestinian state. The subjugation of the Intifada leadership to that of P.L.O was the main factor in blocking the natural development of Intifada to a socio-

¹³⁴ The aim of Free Industrial Zones is to enable the Israelis to exploit the Palestinian labor by paying them low wages. The factories in these zones are environmental pollution.

¹³⁵ During the occupation era, the AZE produced more than two thousand military commands 50 percent of them on the control of the Palestinian economy. This explains two points. First, that the occupation knows hat a strong economic base means a strong resistance, and; Second, the occupation is a profitable economic project.

¹³⁶ See *Intifada Mubadarah Sha'abiyah*, ed by group of writers, 1990, (No Printing house mentioned).

economic one¹³⁷.

It wasn't an easy job to challenge the gigantic bureaucratic hegemony of the right and left components of P.L.O. Both were running for political gains. This crystallized in the "Declaration of the Palestinian Independence" by 15-11-1985 in Tunisia. An independence that contains two main destructive factors: 1- It is an independence on media for a part of the Palestinian people which in reality under a complete occupation and depend for large part of its daily life on the AZE's economy. 2- It is a compromise of the Palestinian refugees' right of return which is the core of the Arab-Zionist conflict.

The open and direct compromise and negotiations took place between P.L.O's leadership and the AZE was in the period of 1988-1991. In that period the Israelis realized how much P.L.O was in a terrible economic situation, and how much it is collapsing politically to the extent that it is ready to compromise. As long as this development happened in parallel with the dis-integration of the Soviet Union, P.L.O's leadership went too fast in its compromise. On this issue I wrote

"The Palestinian bourgeois exploited the first year of Intifada to declare a "Palestinian state" in Tunisia, i.e. out of Palestine, and declared a parliament for this state in the Occupied Territories. This bourgeois leadership declared its recognition of Israel... Doing this P.L.O is in fact changing itself according to the Israeli diktat, i.e. it changes itself and become an alternative to itself¹³⁸. Accordingly, P.L.O changed itself from a liberation movement to a pup bit regime ruled by agreements with the Israel by 1993. My main argument here is that, this form of leadership has nothing to do with development consider development's vital importance for a people that is under a brutal occupation. What should be added here is that the Madrid-Oslo negotiations and agreement took place after the U.S led aggression took place against Iraq 1991.

Why the DBPP Never Adopted by the P.L.O/P.A?

The Arab Comprador *Iqlimi* regimes has started assisting the Palestinian (Iqlimi) dependent capitalist factions, especially their right wing military organization (Fath), since the beginning of the Palestinian Resistance Movement PRM 1967 aiming to enable the right wing capitalist roaders faction to domain this movement. This strengthening of the right wing was a pre-emptive policy to avoid the potential radicalization of P.L.O. Following the eviction of the Palestinians from Beirut 1982, foreign NGOs activated themselves inside the OT using the cover of 'development', but practically, their activities were in the course of 're-educating' the Palestinian people: encouraging, bureaucratization of PLO, bourgeois ideology, liberalism, the market economy and private enterprise. A lot of there 're-education' activities have nothing to do with development. This re-education strengthened the capitalist factions inside the society. Those factions were finally supporting the imperialist peace settlement for the Arab\Israeli conflict. Accordingly, the Palestinian society which for decades looks like a unified political social camp, especially during Intifada, suddenly divided, after the so-called peace into a clearly two socio-

¹³⁷ See Adel Samara, The Other Economy of Intifada, The Economy of Class in *Intifada Mubadarah Sha'abiyah*, 1990 opcit.

¹³⁸ See Adel Samara, *Palestinian Capitalism from the Dependant Emerge to the Crisis of Independence*, 1991.

political camps:

a. The poor majority of peasants, workers, refugees, independent and small producers, and the low rank militants of Intifada. For the Palestinian refugees, they realized that after this long struggle, their fate is to stay forever inside the refugee camps. In their best case, they will get a job to be exploited in a farm, store, or a factory belongs to a rich cadre of P.A, or a Palestinian capitalist from the *Shatat*, to NGO manager, or to a foreign capitalist. The same is for other workers and the reserve rural youths who lost their jobs inside the Israeli economy. Those might get jobs in the expected new industrial belt zones that might be established on the borders of 1967¹³⁹. This is one of the reasons behind the eruption of Intifada II. But for the time being, there are no investments to absorb this large reserve of workforce, and that is why, the society is facing a more social division and dis-integration. It is the political/national struggle which delay the social conflict. The peasants who are mainly small and independent producers lost much of their plots of land that were confiscated for Israeli settlements. When Oslo Accords were signed, none of this land restored to their owners. In fact, during the Autonomy, land confiscation expanded. That is why more land expected to be stolen as well.

Under the P.A Open Door economic policy and the P.L.O/P.A's pretend to initialize a policy of Tawanizing the WBG, these peasants face a terrible competition from the massive foreign and cheap production. That is what put them in bankruptcy. They failed to continue cultivating their poor and small plots of land, and became more dependent on the Israeli employing market, as long as the P.A regime failed to provide them of loans, subsidy, assistance and protection.

The youngsters of Intifada I started facing their terrible fate. They are unemployed, lacking for any form of security. They have either to look for jobs in the PA's police and bureaucratic structure which employ around 160,000 persons, a lot of them are not necessary or in the right place.

b. The bourgeois camp that consists of the following three capitalist factions:

The bureaucratic capitalism of PLO: This is the high rank leadership of PLO, who are through three decades, 1967-1993 of collecting taxes from hundreds of thousands of Palestinians who are working abroad, especially in the Gulf Oil countries, became millionaires. They realized that it is possible to become a millionaires without being in an independent state, i.e. for them independent state is not a condition to conduct business especially in the capitalist era of globalization. That is why they accepted Oslo Agreement that will enable them and their allies of the other classes to acquire the maximum rate of profit as capitalism of second class. The first class capitalism is their dominant partner, the Israeli one. The system of the economy of stand-by will facilitate that, especially through the role of sub-contractors for the Israeli companies, or through joint ventures with foreign capital. Part of their job will be marketing the Israeli products to the Arab markets, in a mission to facilitate the Israeli imperialist-Zionist plan of Integration through Domination I.T.D into the Arab markets.

The second is the Palestinian sub-contracting capitalist faction inside the OTs that

¹³⁹ This is similar to Maquiladores in Mexico, where the Mexican workers employed for very low wages by the U.S companies.

worked for thirty years as sub-contractors for the Israeli companies. This faction accustomed to accept the trickle-down share that left to them from the Israeli partner. This faction realized that it is possible to become millionaires without being in an independent nation state. And accordingly, this faction supported the Oslo agreement.

The third is the Palestinian financial capitalist faction in the *Shatat*, which became more than millionaires also without being in an independent Palestinian state (Samara, 1997)

These three factions supported the limited autonomy agreement because they knew that it is going to guarantee for them a profiting environment. For these comprador capitalist factions, the control of the national market, as it is traditionally the aim of the national bourgeois, is not in its' own agenda.

The abovementioned three capitalist factions did supported by another two small intellectual factions¹⁴⁰. These factions include the liberal, academic, and some professional brokers of foreign institutions especially NGOs (who are the earners of an invisible income), and the renegade members of the leftist and communist organizations. These intellectuals participate in the negotiations of Madrid conference and the ten negotiating sessions that followed it. They were negotiating on-behalf of PLO leadership. They prepared all conditions for Oslo agreement. Based on the aforementioned analysis, I called this peace as “peace for capital”.

The aforementioned intellectuals were direct designers of Madrid –Oslo Accords. But, when the PA era was an era of corruption, and continuous compromise of the national cause, Intifada II erupted against the occupation and Oslo. These intellectuals, supported by the U.S, Israeli and Arab bourgeois media, jumped to the front of those who, since the mere declaration of Oslo, criticize both Oslo and the PA. They repeated the U.S rude demand for reform of the PA, which built by the same U.S.A support.

The PLO itself has been transferred from pretending that it is the representative of the Palestinians all over the world to be the representative of the second camp, the dependent comprador and *Iqlimi* capitalist one inside the WBG. The contradiction that emerges here is, that there is large numbers of the first camp (the popular classes) lacks for class consciousness, and accordingly believe that PLO, still the 'mother of all'! While in fact, it passed that role to become a mother of the few, the capitalists who accept the imperialist peace settlement to the Arab-Israeli conflict.

The essence of the imperialist peace settlement of the Arab Israeli conflict, which is, peace for capital (as a process of capital in class re-ordering in the region) will intensify class conflict within the Palestinian society. Essentially, such struggle will be between: a. those classes who's interests lies in greater integration into the world capitalist order through the new imperialist projects such as imperialist market in the “Middle East”. This came in parallel with the new plan that prepares for an Israeli integration through domination into the Arab Homeland ITD. b. The supporters of DBPP, whose main target is to eliminate dependency, to achieve political, cultural and economic

¹⁴⁰ Those Palestinian intellectuals whom support Oslo Accords are two main groups belong to two main ideologies. The first is the westernized intellectual elite whose loyalty is to the Western liberalism. They were in a dialogue with the Zionist and imperialist circles since the beginning of the occupation. The other group is the renegade communists from the communist party whose loyalty was to the former Soviet Union and later to the U.S. imperialism.

boycotting of the Israeli economy, to de-link from the world order, to achieve Arab unity on the other and to be part of people's anti globalization and anti war movement all over the world.

One might divide the reasons why the DBPP never adopted by both P.L.O and the P.A into three main areas:

First: The failure of Palestinian political organizations to adopt the DBPP is due, in addition to what has been mentioned earlier, to other main factors. From these factors is the failure of the left to have a clear vision on development and even of economic understanding. This explores the shortage of their ideological understanding.

The experience of Intifada made it clear that the "national" economy is a mere bourgeois ideology. Each class has its own economy (See Part Two Chapter Three). The so-called national economy is an exceptional era in which the interests of the whole society are unified especially during a general national foreign threat, colonization or occupation. The left is the part that must be blamed for the failure to educate the popular classes this fact. But unfortunately, this wasn't the case for the Palestinians.

The left's failure in developing a development strategy affects the whole social level of socio-economic education. That is why most of the Palestinian struggle dealt with political issue, but not with social and developmental issues.

It should be noted that the boycotting of the Zionist products in the beginning of Intifada was a popular decision, not a policy or decision by the leadership of P.L.O. That is why, P.L.O organizations failed to upgrade it to DBPP. And when later, in the 1993 and after, the P.A decide to stop the boycotting of Israel, there wasn't a strong popular opposition to that because the people who initiate Intifada has been subjected to the leadership of the same P.L.O's bureaucratic and compromisers who lacks for a radical development policy. The terminating of boycotting was part of the betrayal of the Intifada I.¹⁴¹

The Second factor was an external one. Since the Israel's occupation of South Lebanon 1982, and the P.L.O.s' eviction from Lebanon, the U.S secretary of State George Schults made a statement noted: "There must be an improvement of the living situation of the Palestinians". This was the opening of the direct U.S. imperialism interfere into the social fabric of the Palestinian people by the terms of this imperialism. The main manifestation of this interference is to tackle the issue as a human and charitable one! It is the "improvement" of the living conditions of the Palestinians, not the recognition and support of the Palestinian national/political rights, on the top of the refugee's right of return.

But, during the Cold War and before the P.L.O's deterioration to depend on the U.S imperialism for a 'solution' to the Arab Israeli conflict, the U.S imperialism wasn't able to build a direct and open contacts with the Palestinian people. The U.S and other imperialists started their contacts through their NGOs. This N.G.Os' became very "active" during Intifada I and later Intifada II. Their activities were to control and deform the radicalization of Intifada as much as possible by luring the activist political cadres, especially from the leftist organizations, to stop political struggle and to become NGOs

¹⁴¹ Since the first months of Intifada, 1987-88 I wrote asking people to rise the boycotting to the level of DBPP. See Adel Samara, (*Min Ihtijaz Al-Tatawour ila Al-Tanmiyah Bil-Himaya Al-Sha 'biyah*) 1988p. 58.

high rank (and salary) employees. (Samara, 2001)

The Third factor was the nature of the P.L.O, and later the P.A, leaders as comprador capitalists. Both were educated by and disseminate capitalist modernization's culture. Perhaps, this culture might be the same background, which encouraged their practice of corruption when they ruled the cities in the WBG.

Finally, DBPP as it is mentioned earlier not limited for the Intifada environment. It is a popular model that is applicable, with some adaptation according, to the new developments. It is a model of development challenging the occupation, corrupted, class and capitalist regime of the P.A as well. "As long as the DBPP model not adopted, the alternative model for the PA will be the capitalist modernization a la Singapore capitalist nests model"(Samara, 1991) But, even this model hasn't realized.

Chapter Six

The Model of Development by Popular Protection

This chapter consists of two components: An explanation of the economic behavior of the Palestinian people during the first Palestinian Intifada, (its self defense and strategies of subsistence) and the theoretical context which the author elaborates the DBPP model.

While this model has been applied and developed, to a certain extent by the Palestinian popular classes during Intifada I, I think that it is, to a certain extent, applicable in many Arab and Third World similar social formations. It is a Third World model that might challenge the Globalized Capitalist Public Sector GCPS in the core countries. In essence, this model is a popular initiative, especially by the popular classes against capital. Capital in this context is a global social relation, a policy of the ruling classes in both core and periphery. This model is a new form of people's war in a larger term than the Maoist one. According to the fascist policies of capital, which is the policy of the capitalist ruling classes all over the globe, the only real and effective economic/social resistance will be that of the peoples, especially of the popular masses which I named it in Palestine the DBPP.

Why capital, especially of and in the United States launching two wars, and may be more, at once¹⁴², one inside the U.S society and the other a world wide war were Afghanistan and Iraq its first victims? Is there any reason other than capitalist interests!

¹⁴² The U.S ruling class launching two wars:

The First War: Deepens Internal Exploitation: The U.S ruling class designed local policies that favor itself, its monopolies at the cost of the majority of the population. While tax refund looks as it is giving the poor and middle class money, the huge amounts of tax refund went to the big corporations who are suffers corruption, nepotism and some of them declared bankruptcy. The collapse of the stock market sucked the savings of most of the middle class. The Second War: Plunder by Directing External Wars. The most terrorist war is the current one which started against Iraq in the 20th of March 2003.

Sure not. As long as the ruling classes all over the world are not standing against the U.S outside war, these classes either benefited of this war, or not satisfied by the U.S domination, not because they are against it. Accordingly, the only possible resistance will be from peoples of the world, its core and periphery. A level of this resistance is the DBPP. It is for sure that the resistance of the popular classes at the core is different. It might be a class struggle against the ruling capitalist classes there. This resistance seems to be started since Seattle. The demonstrations against war and globalization might develop to be a social/class resistance at least because this is its natural orientation. Briefly speaking, the world is more than any previous time is divided according class lines, the popular classes and the capitalists. While the people's resistance in the socio-economic level is the DBPP against the GCPS' exploitation of periphery, the popular classes at the core are struggling against the same capitalist classes, but in their own means and strategies.

If the boycotting of the occupations' products possible to a certain level in the occupied/colonized WBG, why it shouldn't be possible in the Arab countries which are independent politically? In fact it is possible by popular classes every where. This possibility and its application is in itself a level or step of people's war. It raises this war and develops it to a higher and larger level. In this development, the factor of consciousness articulated with that of the readiness for struggle in the popular classes' level. This beside the workers councils and trade unions power which agitate, educate, explain, teach and recruit from below. It is necessary in this people's war to go in both consciousness and courage and readiness for sacrifice. The consciousness of who are the people's enemy, and the courage to sacrifice for the sake of the people. As for the subject of this model, the consciousness of how to consume and the courage and insistence to change the terrible pattern of consumption is a large part of the goal. In the pan-Arab case, this model could be adopted by the Arab popular classes. In the Arab level, this model might start by adopting the slogans of anti-normalization and the boycotting of the capitalist globalist center's products, especially those of the United States. Let me elaborate, for the Arab popular classes to achieve development and unity, they must boycott the imported products especially those from the capitalist global center. For the unavailable goods in the local market, priority should go to the friendly countries in addition to two goals:

1- To encourage the DBPP to start as much as possible of production.

1- To motivate the local capital to invest in the areas which the DBPP still unable to cover.

These popular classes must realize the strong and strategic relationship between the core center and the ZAE regime, and accordingly, they must strengthen their anti-normalization against that regime. The popular masses in the Arab countries might apply, develop or change...etc, the other components of the DBPP each according its own internal situation.

Anti-normalization and boycotting of the core capitalist globalist products is in itself a development strategy. It is a pressure over the ruling classes go for the satisfaction of the local needs. If applied, it will lead sooner or later and despite of the resistance of the ruling *Iqlimi* classes to a pan-national Arab development strategy protected by the popular classes. That is why; an Arab consciousness of what and how to consume and

what is the source of the products is of a vital importance.

While the ruling Arab classes are able to conduct a continuous “civil war, i.e. repression, corruption non-development policies, obstructing joint Arab market, compromising the Homeland itself...etc” against the will of the popular classes, they, the regimes, will not be able forever to stop the popular classes people’s economic war against the artificial borders between Arab counties. The regime’s secret police and army can’t enter each home kitchen to oblige mothers to buy the imported goods. The comprador capitalist class will continue import. But the consumers will teach the comprador a bitter lesson when their imports corrupted on shelves. By this way only, they will decide to invest according to the new local demand. The army of the ruling class will not be able to close a farm or a factory which produce an alternative to imported goods. The boycotting of the enemy’s goods is possible and it is a development strategy by itself, it will encourage local investment, it is a popular protection. The same is for anti-normalization activities especially the economic anti-normalization because it is an internal, home decision to decide what to consume. The conscious consumption means a termination of the middle man, the merchant in the local level and the comprador in the world level.

It is not strange that the boycotting of the capitalist globalist products is applicable on the Third World level. It is not necessary to be applied by the same measures on a rigid manner. This upgrades discussion to a serious level that the DBPP contributes in the national development on the first level, and the regional self-reliance and the world revolution in general. Again, this model is a challenge to the GCPS and the local comprador.

Let’s ask our selves the following question: what is the essence of globalism from the ruling classes’ point view? I mean here the two components of these ruling classes, the capitalists and those in power? Is its essence more than to acquire the highest rate of profit and the “liberalization of trade on the global level? Is it other than the ‘legitimization’ of the invasion of the periphery’s markets and the sucking of their people’s wealth and labor power? The core insists to maintain surplus outflow from periphery to the core’s own economy by any means, by unequal exchange, or by armed un-equal exchange as well. The case of Iraq is obvious. The U.S global empire insists openly to ‘own’ the assets of Iraq. Accordingly, any contribution in the cutting of the drain of the periphery’s wealth and surplus to the core countries is a contribution in the social intensification inside the core countries through the minimization of the rate of profit that transferred there. It is a social contribution in making the social revolution in the center more at hand. The decrease of surplus inflow to the center will led the ruling class to cut social benefits, wages, to increase taxes to cut education budgets...etc, the internal war which launched currently by the U.S ruling class. This will lead to a social protest and more people will join the anti capitalist movement. The situation will be a class conflict between capital and labor. Capital will be more and more inclined to be fascist and labor will be more and more socialist and internationalist. As long as the periphery’s surplus will continue decreasing, capital will uncover its fascist face and the popular classes will resist. The ruling capitalist classes will move into two fronts at once: the internal front against the popular masses’ protest and the external front to guarantee the control of the periphery’s markets, wealth and surplus.

Reaching this point, the DBPP’s goal in its struggle against globalization is to achieve:

- a. The defeat of the ruling capitalists in periphery as a step in the world revolution.
- b. The radicalization of popular classes in the center.
- c. The creation of an internationalist struggle and a socialist alternative.

The DBPP as a case study

As I noted in several places in the previous chapter, the Popular classes' DBPP model, when practiced during Intifada I, has been blocked by the local capitalist class and the P.L.O leadership when both failed to invest in a large scale to complete the first step which done by the popular classes. Following Oslo Accords, the Palestinian Authority PA, failed as well, but even stopped the boycotting of the Israeli products. These failures represent a social conflict between the popular and the capitalist comprador classes, because both have its own separated and an increasingly contradicted economy. Accordingly, the DBPP will never succeed unless it is become able to transcend and subjugate the capitalist one. A brief explanation of the differences between the two economies is necessary here.

From a national point view, and because the WBG are under the Israeli settler colonial occupation, the DBPP in practice suppose to pass into two phases in its relationship with the Israeli colonial occupation. The first is the popular classes' initiative of boycotting the working places in the Israeli economic sectors, the boycotting of the Israeli products, and the initiative of their own productive investments. The second phase has to be initiated by the local capital and the P.L.O leadership, both failed to do that. The main reason behind this failure is the class interests of both class camps. Both phases will be discussed in this chapter. As long as the local bourgeois and the P.L.O failed to carry that duty, it was natural for the popular classes to take the lead.

It is worth to refer to the main differences between the duel economies (the DBPP and the colonized capitalist economy) those emerged during Intifad I. For the sake of facilitate the discussion I will call them the DBPP economy and the capitalist economy. The DBPP economy did practice, and create environment of boycotting the Zionist/imperialist products, and places of work. While the capitalist economy of the private sector during the whole occupation era (1967 until now) and even during Intifada I, the PA era and Intifada II practiced normalization with the Zionist economy as part of the world capitalist order and maintained the open door policy, the creation of sub-contract and joint ventures with the Zionist and foreign capital.

As a model, the DBPP is an economy represented by the workers councils, the popular parliament, while the capitalist economy represented by the bourgeois parliament which is a result of the voting box a machine which subjected to fraud, in addition to the fact that those who are able to pay the costs of the bourgeois political election are the rich people as local capitalist or agents for imperialism or NGOs. These elections never established and distributed according to the number of each class and sex. In case of a progressive ruling class, which is not the case of the PA, the DBPP will normalize its relationship with the state according to the state's decisions to be close to the DBPP model. It is practicing a continuous pressure on the regime to pass a transitional period or process that pull its economy towards the DBPP's one, i.e. to minimize imports, saving foreign exchange, increase productive investments...etc.

In the regional level, the DBPP motivate and practice the de-linking with the Zionist and world markets for the sake of the regional and similar economies in the Arab Homeland and the world. The P.A's capitalist economy encourages the integration, dependency and un-equal exchange.

The DBPP, as a tentative model, i.e. before being applied, practices the protection of the nature and the population. The protection of nature through the resisting of the Zionist polluting the area, and the protection of the popular classes from the high birth rate which led to a massive increase of the people who became annually in the age of work in an economy which suffer a high unemployment rate. In its best, the high birth rate provide capital (local or that of the enemy) of a cheap labor.

To go back to the practical phases of the DBPP to its two main phases which mentioned earlier, the first phase of DBPP, the self-employment and management projects, boycotting of the foreign products, the conscious consumption, the initiative of domestic and small cooperatives and the self-management of working places.

The second phase, in the DBPP is the popular economic sector's expansion to integrate the private sector, and/or the state managed sector, the bureaucratic sector.

The goal here is that the popular sector should expand to dominate the whole national economy, to subject it to the self-management by the workers, the producer's councils. The DBPP model will never succeed if it will stay limited into the domestic and small cooperatives, the boycotting of the foreign products, and the luxurious goods. If it will be limited into this level, it will loose its role as a revolutionary movement whose aim is social transformation. It will be able to re-integrating the private sector. The DBPP model must plan to subjugate the private, state and governmental sectors because it is representing the popular classes who trained for investment, work, management, distribution in the cooperatives which created in its first phase. There is no doubt that integration of the private sector by the DBPP will never take place without a class struggle.

The DBPP sector as noted above initiated, managed, financed, and distribute by the workers themselves. It is managed in a joint, communal manner, self-management for each place of work, and by workers councils in the place of work on sector and national scales. The management like the direct work is mutual done by every worker an issue that became easy because of the generalization of education of the people and the availability of computers.

Briefly the DBPP project is an investment initiated by the popular classes. Again, in the second phase, the popular classes will oblige the state to conduct two jobs:

- To nationalize the factories.
- To dissolve the bureaucratic management elite and leave the management to the workers, to the people in work¹⁴³. If the state fails to do that, the workers must occupy the

¹⁴³ The workers of electricity lamps factory in Al-A'sher min Ramadan city in Egypt shows that the workers' management is possible and more efficient. The owner of an electricity lamps factory lent 130 million Egyptian pounds, close the factory and fled abroad. 250 out of 600 workers hold responsibility and run the factory since the beginning of 2002. Today, 2004 the factory running very well, providing the wages of the workers and save profit. . The workers council expected the regime to put is hand on the factory because it is not their property. Workers Prove that their Management is better. **From: "alfassil"**
CC: : saeedslama@hotmail.com

factories, before kick out the state apparatus. As long as the factories, schools, universities, health became in the hands of workers councils, the state apparatus will be dissolved automatically.

While in any capitalist formation the equation of labor/capital has been for the sake of capital, and it was in the WBG even worst because capital never succeeds to employ (exploit) local labor, the DBPP is concentrating to achieve the supremacy of labor over capital.

DBPP Components and Steps

The first Palestinian *Intifada* started at the 9th of November 1987 when an Israeli military car went over six Palestinian workers from Gabaliya refugee camp in Gaza Strip. The demonstrations erupted spontaneously in the camp and spread all over the OTs. The people pushed its anger and struggle against occupation to its highest limit including the boycotting of the Israeli products and places of work.

The start of the Palestinian *Intifada* gave the Palestinian popular classes a push forward to start de-linking of the Israeli economy after a long period of coercive integration into the occupation's economy. This step took the form of *Insihab Ila-Aldakhel* internal withdrawal at the consumption level before other economic activities and spheres. This start wasn't in a planned manner on the masses level. It was a spontaneous positive response to the intensification of the occupations' repression against the political/national struggle. The social consensus of resist the enemy prevailed in general without determines what form of developments well follow. This step followed soon by the workers internal withdrawal, *Insihab Ila-Aldakhel* from working places inside Israel without being led by any body. The popular classes in general and the workers in particular led themselves. These *Insihabs* withdrawals are by themselves a form of people's resistance, people's war.

The boycotting of the enemy's products was a practical start because it is easier to begin with it more than to begin with re-shaping of the production sectors of the local economy. The popular classes were the part that started the withdrawal towards local products (In-Ward Withdrawal). This was an incentive or motivation to the local entrepreneurs to invest locally to substitute the boycotted Israeli products. In fact, any boycotting of any foreign products is in itself a motive for development. This form of investment represents a step towards re-shaping of the productive sector. The Internal Consumption Withdrawal was a beginning of a change of consumption pattern. Women, as family budget's manager, played the major role in training children to change their consumption pattern, easily by stop bringing at home Zionist products. It is important to note here that, women devoted and adapted the patriarchal structure in a progressive manner through exploiting their role at home to control and re-orientate the consumption decision.

The question here is as follows: is the boycotting of the Israeli products and places of work a level or step in the people's war as noted above. Is it a new development or contribution? I said yes. People's war as part of the communist theory in general is always opens for any form of theoretical and practical contribution. The popular classes' decision of boycotting is a popular contribution in the theory of people's war.

1- The Consumption's *In-sihab Ila-dakhel* (In-ward) withdrawal.

By the beginning of *Intifada* the popular classes started, directly in the first weeks of *Intifada*, minimizing their integration and dependency into the Israeli economy. This was an obvious political struggle. Accordingly, it was of a clear developmental decision because the boycotting of others' products is essentially an investment decision. It is not conditioned that this should fit into the bourgeois economic discourse that change to look for another imported products or what is called the consumer's free choice. The free consumer's free choice is a blind freedom motivated by a high obesity for consumption. (see later). This '*Insihab*' took place as follows:

a. On the national level:

The popular classes start reducing their consumption in general. They became worried since no body knows where *Intifada* is leading. In parallel to this low level of '*Insihab*', the poor masses started their own internal self-cooperation, helping each other economically as a beginning of the cooperative basis. It is during that period, that local products started carry labels like, 'our national products'...etc. This '*Insihab*' expanded and developed to a national\political one which is the boycotting of the Israeli products. It became consumer's withdrawal '*Insihab*'(see later).

b. On the class level:

The Palestinian workers inside the Israeli economic sectors started directly (in the first few days of *Intifada*) their own withdrawal '*Insihab*' as well. They stopped working inside the Zionist economy. In the first year of *Intifada* more than 70 percent of the 155,000 Palestinian workers in the Zionist entity stopped going to their work places there.

Palestinian sociologists and intellectuals who preach for the continuity of WBG economic integration into the Israeli economy continuously argue that the de-linking will deeply harms this economy. These intellectuals are always against popular initiatives, especially those of the popular classes as their negation. It should be noted that if the popular classes will measure or decide their uprisings, for the short run, on the cost-benefit basis, it will choose to subjugate. What these intellectuals should choose to do is to create a development project for the popular classes as an alternative for their blame and protest because Israel did not fulfill what contained in Oslo Accords that it will employ 100,000 Palestinian workers.

This step put the occupation's economy in the crisis of looking for alternative workers. This expands the number of foreign workers (Philippines, Romanians, Thailand...etc) to more than 250,000. It is a number that equals the number of the unemployed Israelis. Some Palestinian intellectuals might argue that the boycotting of the Israeli working places provides Israel with a chance to curtail our workers working places. But this is not right. The ruling class in the Zionist entity never hides its intention to get rid of the Palestinian workers¹⁴⁴. The ZAE is engaging itself continuously in a war

¹⁴⁴ Regarding the Israeli policy of get rid of the Palestinian workers, see Adel Samara, (*Min Ihtijaz al-Tatawour il-Alhimayah al-Sha'abiyah*), From Blocked Development to Popular Protection, Kana'an Publishing House. Damascus 1988. We have to consider tat Israel as a settler colonial entity built its working class on a racist basis, "the Hebrew labor", When Israel made exceptions, and employ Arab workers, it was because of its needs for cheap Palestinian labor. I might argue that the base of the Zionist regime is to didn't offer job opportunities for Palestinian workers aiming that they will finally leave their homes. Beside direct eviction of the Palestinian people, as it was in 1948, the Zionist regime's practice the

of attrition against the Palestinian economy and society. The second Intifada proved that ZAE did apply the core's economic policy towards periphery by blocking the movement of the Palestinian labor to its working places, but maintain the flow of its goods, services and capital to the WBG. Moreover, ZAE allow the Palestinians to occupy in Israel, even during the second Intifada, are the works which neither the Israelis nor the foreign workers are able to conduct, i.e. the workshops for aluminum, furniture, blacksmith, carpentry, agriculture and construction...etc. The prices of the mentioned traditional products are high in the international market while it is possible to be produced cheaper in the WBG. At the same time the foreign workers doesn't own workshops to manufacture these goods.

The national and class withdrawal '*insihabs*', are a main components of the DBPP and by their nature, they must lead to the new stage of DBPP which is the people's Re-shaping of their own local economy, it is the beginning of the investment/productive project which should follow the first.

Here we realize that people is in fact practicing or living popular Economic democracy before and without having the Political Democracy, i.e. under political independence , a democracy which crystallize in a self decision into areas of consumption, investment, production and marketing. It is economic/social resistance beside or after military resistance. All of these took place without a state, or it might succeed because there is no state. This took place in the absence of any form of state power and apparatus or even political parties. The relative absence of the occupation's power has been replaced by the people's power. What happened is that: the ZAE occupying army being very busy in its brutal repression of the masses in the streets. It wasn't easy for the occupation to follow up events on the development and daily political and administrative levels. The quasi authority of the Palestinian municipality councils weren't able to be a "state" power or leadership for the people. In this environment, the popular committees emerged in every populated area in the WBG. These committees started dealing with the masses initiatives in the levels of boycotting the Israeli products and places of work, and started developing the local economy. This was the moment when the popular classes felt free to invent its own subsistence strategies far from occupations' direct interfere and hindering and far from state's power and/or inclination to compromise with the enemy as it is during the first Intifada. This was the people's consensus without hegemony. This is the real civil society, the popular classes' civil society. It is the real democracy were state is not exist, and the power in people's hand, in the hands of those who resist. This is the DBPP. It is two windows of democracy, i.e. the relative absence of the two fists of the national enemy and the class enemy.

As they were deprived from having their political independence, the WBG Palestinians decided, during Intifada I, to establish their own economy. This experience, provides us of a real form of Civil society of self economically and self-leading politically without a bourgeois leadership or a party and state bureaucracy. Here the people invented their own democracy and practiced it.

This is a form of Civil Society created through class/national struggle not donated or designed by the political society, on the basis of the role of the popular classes in practicing their economic and political struggle and decision. But the local capitalist class

indirect eviction against the Palestinians by leaving them unemployed si as to leave their homes looking for a job.

is in fact deliberately neglected these forms totally, as it will be explained later. This struggle is a class and national ones at once. This is the opposite of the bourgeois form of Civil Society. The traditional definition of the Civil Society is a voluntary associations, groups and movements freely formed by citizens not for profit but to advance group interests or the common good, 'mediating between private citizens on the one hand and state (the political society) and corporate interests on the other, has been utilized to disregard the prevailing dynamics of class conflict in society. In such case, there is a role for the state as an umbrella to hide the real control or hegemony of the bourgeois class and its state over Civil Society. In our case, the *Intifada* provide the proper environment for the popular classes' to create a popular civil society far from the state apparatus and hegemony. That might be the reason why both the Zionist ruling elite and the leadership of P.L.O were in hurry to elaborate Oslo Accords aiming at terminating the radicalization of Intifada I. each part motivated by his own agenda. In this context, the Arab ruling classes were worried from the expansion of the first Intifada to their own countries. It might be, because of the non-popular content of the second Intifada, the Arab ruling classes wasn't worried of its infiltration into other Arab societies. It is known the Arab masses support to the second Intifada has been limited into the level of donations and demonstrations! It never developed to a civil disobedience.

2- Popular Re-Shaping of the Productive Sectors:

Re-shaping of the productive sectors follows the consumption double withdrawal '*Insihab*' on the consumption level and on working inside the Israeli working places. At this moment, the popular classes guaranteed to themselves and provide an opportunity to the local private capital the freedom of producing and consuming far from the control of the occupation or the local dependent comprador class or the leadership of P.L.O. It was a re-building and re-shaping of the basic needs of the people in a relatively free choice and decision. The poor masses started investing in cooperatives (productive, service), land cultivation, home gardens, women home cooperatives, aiming to boycott as much as possible of the Zionist products. Many technical workers started small-scale agro-industries using their own working experience in the Israeli companies. They designed simple alternative machines that did the job. The main obstacle challenge they faced was the lack for money liquidity despite of the fact that the overhead cost for creating a job in these activities wasn't high. To invest in manufacturing, the needed money will be more. Here comes the role of P.L.O. leadership who must fill this gap and make money liquidity available in loans and grants to these producers. But its leadership was busy in reaping political gains, doing compromise with the enemy, out of the Intifada. Here the DBPP failed to work well. The popular masses boycotted the Israeli products, and places of work. The national investment must follow. The wealth of P.L.O is the wealth of the people. Accordingly, it is P.L.O's duty to invest. Unfortunately, it did not. It is an expected failure because of the class interest and ideology of P.L.O's leadership. That is why, the failure of P.L.O never consider a weakness or shortage of the DBPP, but an event which uncover the real bourgeois ideology of P.L.O's leadership. What protects the P.L.O's leadership from paying the price of this failure is the fact that it was still out of the WBG. Very little number of people agrees that while P.L.O, was abroad, it was its duty to tackle a development job inside the WBG. To avoid carrying the responsibility of

development policy, when P.L.O brought back to the WB, after Oslo Accords, one of its first decisions was to stop both Intifada and the boycotting of the Israeli products.

Before Intifada every economic decision was in the hand of the Israeli occupation authorities, the military administration, which domestic capitalism accepted and behaved accordingly. The DBPP change the conditions of the game and put the initiative in the hands of the popular classes, while as mentioned earlier, the P.L.O wasn't interest for any development policy.

The DBPP was an alternative economic model aims at re-shaping the productive sectors of national economy. This popular classes 're-structuring' of the national economy, became urgent according to two factors;

First: to satisfy as much as possible of the people's basic needs aiming to strengthen the boycotting of the Israeli products.

Second: To afford as much as possible of working places for the unemployed workers, especially those who were working inside Israel and stopped that for the sake of the national liberation.

This doesn't mean that there was a plan designed deliberately to meet these goals. But the people's self-management is in fact were self-driven to achieve this result and aim. What is important is that this employment, to a large extent, wasn't based on class relationship, i.e. wage labor. It is the case of people's initiative in the various employment fields. Part of that employment generated by the independent producers whose production devoted for their needs, for cooperatives, and part of it for local capital which is a wage labor. This means that there was a co-existence between several modes of production in the WBG during Intifada I, and one of them is the DBPP model which is the people's participation in creative ideas, making decision and practicing its application in the field.

It should be noted here that, financial investments of the poor masses were limited in size according to their poor financial abilities. It is not an investment that is able to create enough jobs in a short period of time to respond properly to the drastic expansion of unemployment that resulted from the worker's boycotting their work in the Zionist entity's economy. But it was an experience of creating areas of work in agriculture and home production, in addition to re-produce the products that the Palestinian workers were producing when they were working in the Israeli factories, especially those of agro-industries as noted above.

What is highly restricts the poorer popular classes' ability for investment was the Israeli policy which composed by:

a. The 1988 devaluation of the JD exchange value with the New Israeli Shekel (from 1-6 to 1-3.5), the reason that minimized the poorer masses ability for investment and even for cooping with life. Taking into consideration that most of these class savings were in JDs.

b. The ZAE, impose several high taxes over cooperatives, and arrest of their active cadres. In this period of time, 1990 and over, the occupation forces started retaining and tightening its fist over the economy. Through that restoration of power, the occupation started uprooting the achievements of *Intifada* in the development level. It started the economic war against the Palestinian people. Of it's aim was to hinder any development of *Intifada* towards a socio-economic one. Later in 1991, Madrid conference, between the Zionist entity, the United States, several compradore capitalist Arab regimes and the leadership of P.L.O, took place. This was the beginning of the termination of the double

democratic windows which were available during the first years of Intifada I.

But to reach the level of re-shaping (re-structuring) the national economy in an effective manner and in a short period of time, (because of the sudden increase of unemployment between the Palestinian workers as a result of boycotting their jobs in the Zionist economy) and concretely, to afford jobs for nearly 200,000 workers and to start producing basic needs as fast as possible, a massive investments again is necessary.

This large scale of investment especially in the absence of a national regime needs an investment policy adopted by the local capitalist class as noted earlier. The major potential investor in this level was PLO as the (quasi-government) owns means, facilities, and financial ability to create public works and even a public sector, to give lend the grassroots organizations (which spread all over the country) which start a large projects of land reclamation in a national scale. Taking into consideration the fact that land were neglected for many years, but, Intifada created a large and strong desire between the young generation to reclaim and cultivate it and to give the important local institutions the chance and ability to start their own productive projects to become as much as possible of self-sufficient, and to become the public sector of the future. (Samara, 1988) The complexity here lies in the following contradiction: As long as the P.L.O.'s leadership was preparing itself since many years to be a 'dependent regime', it is not prepared to initiate a nucleus for public sector, because it is adopting free market ideology. Few years later, what the PA brought in to the WBG, is the creation of a governmental sector. It is a sector that monopolizes the income of the large companies, oil, cement, cigarettes...etc. This income never oriented to the PA budget. It accumulated in a special budget controlled by the PA chairman. It's amount never declared, and most of it always spent to gain political loyalty for the Chairman and his ruling party. Time and again, this behavior of the PA leader and political elite, and the argument of many intellectuals who supports the WBG economy to remain connected to the Israeli economy, proves that the weakest parts of the Palestinian society and struggle are these two elites, the politicians and intellectuals.

The NGO's who brought money to the OTs during Intifada spent it in recruiting leftist cadres to push them far from politics. They never finance agricultural productive cooperatives or land reclamation projects. More than that, they apply Israeli military administration policies to avoid dealing with land issues in spite of the fact that the core of the Arab-Zionist conflict is land, because since the ZAE is a settler colonial entity.

The PLO pretend that it will make the WBG economy similar to that of Taiwan is a declaration in advance that it never believed in masses role in development or even in a productive public sector. Its aim was limited into the sphere of using *Intifada* for gaining fast political results and solutions. This is one of the main factors that led the author to consider and examine the behavior of every Palestinian social class during *Intifada* and to avoid using the national rhetoric as a cover to hide the failure of the P.L.O leadership, liberal intellectuals and the comprador and bourgeois capitalists. The bureaucratic capitalist leadership of PLO always serves their own interests, not those of the people, the same as its Arab counterparts did.

The same is the case of local capitalists inside the WBG who failed to invest massively inside the WBG economy during *Intifada*, while these capitalists must invest in the local economy, at least, because the popular classes decided to consume only the local products, i.e. only the local capitalist products, their own products. Doing so, they

the popular classes, offered this capitalism an additional market (a monopolized market) that generated a substantial amount of surplus, a reason that must enhance capitalists to:

- a. Strengthen their productive base.
- b. Invest in a country whose market guaranteed or monopolized for its own products.

But, because the dependent capitalism never believed in masses, and it is structurally lacking the courage or at least the entrepreneurship mentality to start a real investment, the local capitalist factions avoided investment in the productive sectors. (Samara, 1991)

Facts on the ground were even worst. The comprador dependant capitalists strengthened their ties with the ZAE capitalists. They responded to the, locally, expanded demand on their products, which is in fact politically and nationally motivated, by importing an Israeli products (after replacing the Hebrew labels by Arabic ones), or even starting another sub-contract factories in the OTs.

It is important to note here, that the capitalists benefited from the people's boycotting of the Israeli products motivated by their narrow class interest. The normal bourgeois must add new productive branches, or re-shape others. What they did is the expansion of the sub-contract companies with the Israeli companies. This helped the mentality and interest of the comprador to neglect the needs of development. This confirms our point that the economy is that of classes, not nation. And finally, the large profits that they gain, especially because of the boycotting of the Israeli products, never invested or even saved locally. This surplus transferred abroad to be saved, but in fact used by foreign banks. This is an example of how capitalists 'contribute' passively in *Intifada*. There was a continuous protest and blame from the Palestinians during the long occupation era that the occupation close banks in the WBG and oblige the Palestinians to deal with the Israeli merchant banks which spread in the WBG. It was a true and just protest. But, during the PA era tens of banks and bank branches operated there. While maintaining its liberal and open door policy, a policy which recommended by the World Bank and emphasized by the Oslo Accord. In reality, what happened is a continuous outflow of surplus especially savings abroad.

Accordingly, this role of the capitalists is in fact worked against popular re-shaping of the productive base of the Palestinian economy, which based on:

- The initiative by the popular classes
- The popular masses contribution in financial and working terms;
- Giving priority to investment in the basic needs.

This popular initiative proved that it is possible to achieve the democracy of producers that contains producer's direct involvement in the levels of production, political struggle and management. But this process has been cut and blocked by the failure of the capitalist class which prefers to maintain the policy or strategy of dependency. The only alternative should be a continuous expansion of the DBPP to cover as much as possible of the basic needs in addition to a pressure over the dependent capitalists to amend towards more investment in local needs. It is possible here to apply the consumption pattern of DBPP which is to do not consume local products which have bad quality or which encourage consumerism. Doing that, consumers are expands the DBPP sector at the cost of the capitalist sector.

Re-shaping the productive base of the economy includes the basic determinants of development steps that are internally oriented. The aim here is to establish a mechanism that is able to achieve a relatively balanced development based on serving the interests of the largest possible number of people, i.e.

a. Giving priority to industries using locally produced raw materials and producing basic needs. For instance, canning olive oil, and transforming olive by-products to become an effective material for home heating, manufacturing milk for cheese, pickling...etc.

b. Produce the basic needs of people.

c. Employ the largest number of people: This could be achieved by starting cooperatives as it is in *Intifada*. This includes land reclamation. According to the situation of the WBG, land reclamation is an economic activity and national resistance at once. Because people's resistance will be intensive when the occupation tried to confiscate the cultivated land as the resource of subsistence more than their resistance in the case of neglected land.

The meant cooperatives here are those must initiate from below. The members, in this case are shareholders and workers as well. The same shareholders are also consumers. Males and females are equals as members, founders, self-managers, and workers. Each member must share and donate part of his work and income. He shouldn't be a mere employee who costs the cooperative to pay him salary or wage on a wage labor basis.

To carry on this model, during the PA rule, DBPP should be adopted as an economic policy concentrate on creating cooperatives (productive, employment and service one), in creating joint industrial companies...etc. as a beginning for the start of a popular public sector. The new cooperatives or projects of the small and independent producers, have to look for the chances of working in the areas which their investments shouldn't compete with those of the big capitalists (locals or foreigners) aiming to avoid fierce competition. They have to look for the places and areas where they will be able to move without direct confrontation with capital and capitalists' policy. They must draw and design their own development plans for the daily, medium and long run.

But unfortunately, the PA when after moved to the WBG failed to adopt that strategy. In addition to what has been mentioned above, the capitalist class has in fact obstructed, or impotent, other components of the initiative of popular classes. It was an internal counter-revolution.

In fact Intifada I provide a revolutionary basis on the level of agricultural sector and consumption more than industry. Intifada I intensively concentrated on agriculture because it is the main sector of the OTs economy. Agricultural sector, until recently, employ more than 40 percent of the labor power there. It is the economic sector, which people have an access to start apply directly their DBPP model with a relatively little chance for an intervention from the Zionist occupation. The possibility of apply DBPP in agriculture is not due to a romantic attitude towards land. It is stems from the fact that agriculture is a sector that is possible to control more than other sectors of the Palestinian economy

When people of Intifada started producing their basic needs by cultivating land, they themselves became investors, owners, workers and consumers. They did that on a cooperative manner. Accordingly, they started a new plan of restoring village's role as the main productive unit of their economy, but now, in a cooperative not traditional or

pre-capitalist manner. Doing that, the Palestinian peasants did place their struggle against the Israeli occupation in its proper and practical economic, cultural, sociological, and political manner. It is a struggle initiated through the return to what remains of their land. This step is a protection of land against the Israeli policies of land confiscation for the Jewish settlers and a development policy at the same time. While the state land that was neglected during the Jordanian Rule (1949-1967), it has been gradually expropriated in addition to the expropriation of large areas of private land by the occupation.

According to the limited survey of agricultural land in the OTs, and because of the Israeli expropriation of the good land there, cooperatives are the best solution for their agricultural economy. In this situation cooperatives are practical because its core, the land, is already available at hand of the popular classes without asking for an official permit from the Israeli military governorate which imposed 2000 military orders over the OT's, fifty percent of them devoted for economic issues.

The people's inclination towards re-cultivating land has been (harmed) by the occupation on the one hand, and the bureaucratized political organizations on the other. In this level, the political organizations used some money which donated to them (either from Arab regimes or NGOs, or foreign donors) for financing private projects and false cooperatives without implementing at least the simple protective measures for a successful cooperatives, i.e. that: members must invest and share in cooperatives. They appointed managers over the cooperatives who neither believes in cooperation nor in socialist ideas. The result was a failure of the experience. The managers and members of the cooperatives became a form of wage earners in the political organization's managed cooperatives! Many of the consultants, managers and employees of 'socialist' cooperatives that initiated by the leftist organizations were capitalist roaders, and deliberately arguing against socialism. Some cadres of the left were arguing against cooperatives and socialism even inside the Cooperative School, in Ramallah¹⁴⁵, that established for cooperation training and socialist education.

It is important to note here that the sources which financed NGOs never made any follow up measures to be sure that the private small projects and the "cooperatives" has been built according to the pre-feasibility studies which conducted for them. This lack of follow up uncover that the aim of the financial resources never was development, but to serve a hidden political agenda¹⁴⁶.

These structurally and ideologically deformed cooperatives and their anti-socialist leadership led to an imperative failure to take benefit from the availability and readiness of small and independent producers who are genuine farmers and ready to cooperate and deal with the DBPP. They failed to start with or at least to include these small farmers who are from the poorer classes and highly committed to land, independently producing and easily ready to cooperate, at least because cooperation is necessary in their form of

¹⁴⁵ The Marxists in the PFLP and some of its supporters initiated at the beginning of *Intifada* a cooperative school in Ramallah. Tens of young males/females activists were attending educational classes on development, cooperatives, from a socialist perspective after that they were sent to their villages and popular committees in their towns. Unfortunately, while the young cadres of the cooperatives were enthusiastic Marxists, the managers and the political leaders were either ignorant of cooperatives or anti-socialism. In the end all the experience terminated and inherited by NGOs.¹⁴⁵

¹⁴⁶ See Adel Samara *Epidemic o Globalization*, 2001, Chapter six.

work.

This agricultural cooperative's pattern (in separation from its deformed and liberal leadership) is a style that might easily be applicable in several countries in periphery including the Arab countries. Cooperatives in small plots of land, and through initiatives by the poor masses, which produces basic needs in fact a revolutionary step aimed at:

- Avoid capitalist exploitation.
- Boycott the capitalist products
- Achieve self-sufficient
- Produce natural food and basic needs
- Avoid merchants' exploitation and parasitic function.
- To be independent from the capitalist class economy in the same country.
- Achieve national food security.

3- A Conscious Mode of Consumption

Consumerism is a world phenomenon highly motivated and encouraged by capitalism to the extent that it became a culture by itself, the culture of capitalism. Accordingly, the conscious mode of consumption, or the boycotting of the Zionist and core capitalist goods is a process of challenge the capitalist consumption culture by a resistant conscious mode of consumption.

So, consumerism wasn't a new phenomenon, brought to the West Bank and Gaza during the Israeli occupation. The same consumerist trend has been in the WBG during the Jordanian and Egyptian rules of 1948-1967. What intensified this trend are the new changes in the OT population under occupation, i.e. the western consumption pattern in the Israeli society, who is imitating 'proudly' the Western bourgeois style of consumerism (especially the American style). All over the direct occupation era, the ZAE dump the OTs markets by various forms of products. Except the first three to four years of *Intifada I*, boycotting the imported ZAE and foreign goods were nil. This is an indication for the lack of a Cultural Revolution to be adopted by P.L.O to educate the people. This tied with the P.L.O's right wing thinking and the failure of depending on education and consciousness as dependent on the military dimension. This is what makes the members of political organizations not committed, as if they are soldiers, not political activists. This deterioration is preferable to the PA leadership because it enable it to keep its class positions. In this context, the role of organic intellectuals comes to the front. This explains once and again how dangerous it was the dependence of the Palestinian intellectuals on the political leadership.

The local comprador capitalist factions early (following the beginning of the occupation, 1967) started importing and marketing the Zionist and other foreign goods. In such situation, the dominant ideology based on education that link consumerism with dependency.

Then, the consumerist habits are the same in general either in form or results. Consumerism as a mechanism of plundering surplus should lead to an obstruction of development¹⁴⁷. But, there are several differences in the circumstances around each

¹⁴⁷ A lot of debate took place between economists about the borrowed capital and its role in development. What should be noted here is that the money liquidity which generated through popular classes control of

society. One of them is the large difference of per capita income between a society and another. In the Zionist entity, the average per capita income is \$16,000 or more. It is nearly ten times more than in the OT. Second, regarding the source of income, the Zionist entity as a subsidized country from imperialism, a large percent of its GNP is assistance and donations from the imperialist center. This encourages the Zionist entity's citizen to consume more¹⁴⁸. This in addition to the fact, that the Zionist regime has a developed industrial base and a developed agriculture which provides it with commodities for export, a factor that substitute part of its imports. Ridden by a naive way of thinking, some of the Westernized Palestinian elite asked US imperialism to donate the Palestinians the same of its donations to Israel a demand for equality which have no ground at all. In addition to the fact that this demand for 'equality' is strange to introduce it to a ruling class which never hide its open support to the Israeli aggressive role against the Palestinian people. What has happened in the ground is that, the Palestinians never being 'equalized' with the Zionist entity in the U.S A's policy. The fact is that the United States ruling establishment is the main enemy against the Palestinian people. To give this factor lip service is a catastrophic attitude for development, political struggle, consciousness, and popular education. What is astonishing is that what is taking place is the opposite. The United States' ugly face "improved" between some Palestinians, part of that due to the role of PA's media, the role of NGOs and some academics and intellectuals who were used for, or voluntary marketing the U.S. imperialism. These groups were praising the United States as a "neutral" mediator in the "peace" process. This is in fact an example of the process of re-educating the Palestinian people to depart from any form of resistance and radicalization.

The domination of consumerism led to more destruction of the local productive projects, and finally to a contraction of the domestic markets. This went in parallel with an increased demand on the imported items. One of the motivating factors behind this trend is the continuity of the traditional belief that the more the consumption of imported goods, the higher the social strata of the consumer. The imitation factor is another factor that has encouraged consumerism, especially when education against consumerism is low or even absent.

This trend has been increased in parallel with the P.L.O's leadership expansion of its tactic towards exploiting *Intifada I* in a functional manner to serve its narrow political interests and economic gains that resulted lately in Oslo Accords.

During the direct occupation era, i.e. before Oslo Accords, the social vehicle of consumerism was comprador and merchant classes and the parasitic westernized intellectual elite. These were the main mechanisms of consumerism. Accordingly, they gained several advantages due to their role. They became the agents of the Israeli companies who acquired or donated commercial loans, and licenses to import from abroad. These activities led to a strong competition against the local products. The profits these factions were gained has been deposited in foreign banks or in the best cases invested in the sub-contracted industries who are in turn strengthened the dependency of

their consumerism might substitute the borrowed capital and save the economy the bad fate, that of indebtedness.

¹⁴⁸ For instance, China's imports are \$50 billion annually. It is three times the Israeli imports, *The Jerusalem Post*, 19-12-1992, while the population of China is nearly 200 times those of Israel.

the OT economy into that of the Zionist entity.

According to the developments of the *Intifada I*, a new consumerist mode emerged. It is a popular decision to boycott the Israeli commodities, and to a certain extent all imported goods, internal withdrawal (*Insihab Ila-Aldakhel*, on the consumption level as noted earlier). It is clear that this is a political\national decision. Due to the massive social acceptance of this decision, it means that a politicization of development is possible. In fact, the masses themselves invent and adopt this politicization a popularly created mode of development. This is the genuine popular-democratic essence of the DBPP. It is the direct action and response from the masses. This process is in fact a result of people's persuasion. The people are the part who start the initiative and took the decision. This result of *Intifada* is in fact negating the bourgeois reductionism of human beings behavior to mere economist. A differentiation should be drawn here between material interests in their economic, cultural, political, class, nationalist aspects, and the mere economist one.

While this politicized popular position, oriented against consumerism and started spontaneously, it doesn't mean that no body should care of developing this social position and decision to be developed through deep analysis and education. Unfortunately, the political leadership was unable, and even dislikes pushing this popular initiative to a conscious cooperative and socialist level to continue.

The experience of boycott the Israeli products through producing the basic needs locally, is considered as a new mode of orientating and controlling consumption by the masses themselves. Boycotting the Israeli products is, in fact, worked very fast between the melia of the popular classes. The opposite id the rich Palestinians who failed to stop going to the ZAE for shopping. They failed to change their capitalist\westernized habits of consumerism. In fact, this change never was in their agenda. It should be noted here that the enemy was waiting and ready to attack all revolutionary aspects of Intifada I. During its first three years and because of the relatively absence of the Zionist army from neighborhoods, there was some form of democratic environment for development. The Zionist army was busy in the clashes with men whose fest became more flexible over women. Women in their turn exploit that moment to share in all forms of the struggle and to start home cooperatives. After that period, the NGOs came to the scene to create special organizations for women aiming to deform their struggle far from the political/national one¹⁴⁹. That is why, it is not only Political Islam PI which minimize women's role, but the westernized capitalist NGOs as well.

As for gender, women were the prime mover of boycotting Israeli products, *Insihab Ila-al-Dakhil*. Woman is the manager of home consumption, the family consumption budget. That is why women are able to plan and decide for the new consumption pattern and products, and to educate her children to use the local items. Women during *Intifada* started their own home cooperatives. These were the nucleus for later cooperatives. Through these cooperatives homemade products were consumed, and many of the traditional local foods returned to the table. Due to its' political and education content, this is a Cultural Revolution from below. In practical terms, a struggle against the habit of consumerism wasn't possible to be achieved without women's role and contribution. This is one of the most important contributions of women in *Intifada*,

¹⁴⁹ It should be noted that the NGOs try to feminize women's struggle in the WBG according to the western capitalist feminist's orientation in the one hand, and after the collapse of the western feminism on the other.

and certainly in DBPP. This point emphasizes that DBPP will never be tangible without gender equality in planning participation and self-management which must start from the family level. If DBPP is rejecting the party bureaucratic domination, it is for sure rejecting male domination as well. The experience proved that when women gain their right in equality or being able to take it by their struggle, they prove that they are more progressive than males. This might find its interpretation in the fact that males always represent and practice power, ownership and the dominant ideology.

The discussion pushes us back again to the class role and position regarding the department of consumerism to lead us back to the department of production and to assure us time and again that the class which lacks for productive orientation and culture will end as a very consumerist one. It will end by its role if not by its education against development. If we push the discussion forward it will be obvious in front of our eyes that the social division regarding production and consumption is a class one. The social division on this level motivates class struggle even during the national struggle.

What was necessary at that time is to start cooperatives for distribution to avoid the merchant's monopoly of the market in terms of reaching every place and in terms of determining prices in a popular not monopoly manner. This network marketing has been harmed by the occupation during Intifada I that divided the OT into several Cantons, i.e. every city and its villages became an isolated economic unit. Any person wants to transport products from Ramallah to Nablus (a distance of 50 kilometers) should apply for several permits from the Israeli military authorities, and in many cases these permits are issued for one trip¹⁵⁰. The results were either no distribution, which means that the producers have to minimize the capacity of their projects, or to stop them, and in both cases more workers will be released. The farmers faced more problems. Some of them lost all his season at once. This made it impossible to establish a national network for marketing local production. But in Intifada II, the Israeli occupation imposed destructive policies which cut each populated area from all other areas so as to terminate all Palestinian means and places of production.

As long as investment, production and consumption are designed by a politicized initiative motivated by a class and national consciousness taken by popular classes in the OT, it is a form of class struggle launched as a response against the capitalist classes in Israel, and the imperialist center. It is, also, against the local merchant and comprador factions that acted as dependent on the ruling occupation regime. It is a class struggle against the capitalists in the center, because it minimizes the consumption of their products. Some people might object saying that the consumption ability of the WBG is nothing that could attract the U.S businessmen. The issue here is not the amount of consumption. It is the question of principle of boycotting and the generalization of boycotting to be adopted by the Arab popular classes. In addition to that, the capitalists never minimize any little amount of profit. That is why the U.S counsel in Jerusalem produced a long report telling the U.S capitalists were the profiteer areas of trade with the WBG¹⁵¹. This shows the meaning of cost-benefit equation in addition to the concrete accountant of any tiny costs for the sake of maintaining the highest rate of profit. These

¹⁵⁰ During Intifada II, the Israeli occupation imposed three levels of siege, one around all of the WBG, the second around each area (canton) and the third around each city, village and refugee camp.

¹⁵¹ This Report published in *Kana'an*, no 85, 1997.

are basic principles in capitalist accounts, which Max Weber false attributed it to what he called 'the Protestant Ethic'. To attribute capitalist development to religion is no more than a devotion of religion for the sake of capital (See part I Chapter Three). Fighting consumerism includes agitating and educating people against the imperialist media that made a lot of marketing propaganda for the polluted and unhealthy products. This is another cultural aspect of revolution of *Intifada*. This is another form of economic anti-normalization with imperialism in the era of revolutionary defeat.¹⁵² It is strange that, the foreign organizations, NGOs, the donor countries, the World Bank, and the UNDP are exaggerating the issue of pollution in the OTs, while in fact pollution is not absent totally, but it is still not a crucial issue. Little number of people protests against the use of imported toxic chemicals from Israel, to be used in agriculture in the occupied WBG which are forbidden in Israel.

It is because of the popular classes position of boycotting the Israeli goods, because of the new politicized pattern, the imperialists decided to 're-educate' the Palestinian people, i.e. a counter cultural revolution. This is what became clear by dumping a relatively large amounts of money to NGO's whose role is to motivate market ideology, and offer individual loans, not loans for cooperatives, and what so-called democracy promotion and education.

As a model wish to be accepted in the Arab Homeland for pan-Arab development model, the DBPP pre-suppose a popular Arab boycotting to Zionist and imperialist products. What should be noted here is that the popular classes started their internal withdrawal by boycotting Israeli products. That is why boycotting is possible to be applied in a very short period of time, while the producing process needs a longer time. This in addition to the fact that boycotting likes consuming is an individual area or decision. This might be an effective way to face the comprador class' continuous efforts to harm and hinder, directly or indirectly, both boycotting and investment in productive activities.

Boycotting is a long and continuous way. That is why the popular initiative is important, but it needs a popular political organization to carry it on in a continuous manner in both levels of education and economic activities. The political organization shouldn't expect each person to be systematic and controlling himself day by day. It is the counter class of development, the comprador, who is challenging his consumption pattern by dumping the market with a variety of foreign goods. As long as the country still under colonial military occupation, or even in another countries under a comprador capitalist regime, the role of grassroots organization, political organization is important to follow-up in a daily basis. What needed are revolutionary civil society organizations.

If this education and position will be applied in the Arab countries through an anti-normalization movement, it will be a step for a popular classes' unification in a ban Arab level. In other way it is a class struggle against the Arab comprador capitalist classes. It is a beginning of self-reliance on the class level, and it is a form of restoring surplus from local and foreign bourgeois¹⁵³.

¹⁵² Some traditional and bourgeois nationalists are unable to grasp the direct and strong relationship between Zionism and the capitalism, especially in the core of the world order, imperialism. Accordingly, they failed to establish a militant attitude against the world capitalism.

¹⁵³ For a detailed argument for the sake of Arab popular classes' boycotting the core capitalist exports see, Adel Samara, *Epidemic of Globalization*, 2001, Chapter Three.

4- Building Industrial Sector as a pan Arab Strategy

The experience of *Intifada* proves that dealing with industrial sector uncover the necessity of integration of the WBG economy into the pan-Arab economies. A proper industrial policy conditions large market like the Arab one, not that of the WBG. DBPP like all other development strategies needs the largest possible market, which bring to minds the fact that the small state will be dependent in all cases, i.e. if it is socialist or capitalist. Accordingly, the Palestinians who insist for a tiny and *Iqlimi* Palestinian state are in fact against development and Arab unity. What has been brought to mind after the U.S occupation of Iraq, is that the tiny or even the medium size states are unable to maintain its sovereignty.

The application of the DBPP in Palestine is in fact related to, and stemmed from people's choice. It is a challenge, an experience of a society that chooses to concentrate on the agricultural sector as the most viable choice. This doesn't negate the necessity of establishing industries. While, in normal situation, each community must produce its basic needs, it is not a condition that every community must manufacture all its needs especially if it is not naturally endowed, suffering a shortage of necessary capital, know-how, skilled labor, and when technology became more sophisticated. Part of the sophisticated technology became necessary, since the medium and local technology is unable to substitute it.

As noted time and again, during the first years of Intifada the Palestinians in the OTs boycotted the Israeli products, but they were at that time, and still are, unable to produce all what they need of manufactured products. In fact, this wasn't the only obstacle. The main obstacle is the P.L.O/P.A and the local capitalists' rejection to invest in new productive sectors to substitute the boycotted Israeli goods. Arab countries will be able to produce more sufficient manufactured goods. Since, the Israeli products will move, free to the Arab countries whose regimes recognizes Israel, according to the normalization process imposed by the imperialist 'peace' settlement, why Arab nationalists shouldn't demand that Arab products must got the chance to move between Arab countries as well. This will be the first time since decades for Arab peoples to exchange directly. Doing so, the imperialist 'peace' settlement is creating its negation. This possibility of exchange between Arab peoples is in fact negating the fragmenting plan that designed by the imperialists in 1916 and 1918. Since the imperialist and in some countries the Zionist products move freely between Arab countries, the same access should be provided to the Arab products. If this will not happen, Arab popular classes will find a strong base to fight for achieving that. This means that the completion of the productive structure of the DBPP conditioned by the capacity of exchange with Arab markets and the export of agricultural products and the import of manufactured goods. This right has been forbidden by the Israeli occupation since 1967 since this occupation accustomed to permit the export of agricultural products to Jordan, but never allow products to come from Jordan to the WBG. After Oslo, little products allowed to come from or through Jordan. It should be noted that during the PA period, the WBG trade to the Arab countries (Egypt and Jordan) even decreased.

The aim of import Arab produced goods is to boycott the Israeli goods. But this step still a national, not class one. That is why the expansion of the DBPP into the Arab Homeland aimed at integrating the Arab industries into that model.

It should be noted that the real and genuine choice is the rejection of Madrid-Oslo settlement, the peace for capital. But since the class balance of power still for the comprador ruling classes, the popular classes' strategy have to exploit all possible ceilings without supporting the process of Madrid-Oslo process, i.e. to continue boycotting the Israeli products, and to ask for the right of consuming Arab products. As a part of the Arab Homeland, the Palestinian economy should be integrated into the Arab economy. A pan-Arab self-reliance and natural division of labor is important here. This confirms that industrialization according to DBPP is a regional self-reliance more than a separate industrialization for each country alone even if it is in the size of Egypt.

5- New Form of Marketing Network

The problem of marketing in the WBG cannot be simply overcome by training, especially workshops supervised by college lecturers who lack for direct contacts and information about market needs. They examine and decide in a capitalist survey standards and models not on the basis of the people's basic needs and occupation's obstacles. In a real development environment, the market got different meaning and function different than the traditionally known market. Accordingly, a socio-political marketing net is the real and practical tool to transfer the basic needs (when available) to the consumption of the popular classes. The effectiveness of this tool is to avoid the parasitic role of the merchant as un-necessary mediator. During Intifada some individuals initiated a marketing network inside the OTs and for marketing to the Palestinians inside the occupied part of Palestine 1948 "Israel". But the political organizations failed to do the same, and to support this initiative, in addition to obstacles imposed by the Israeli occupation.

The lack for effective marketing network was of the main factors behind the failure of cooperatives that started during Intifada I. Some cooperatives placed shops in petty-bourgeois urban neighborhoods whose population never believe in cooperatives or local products, but prefer Israeli and foreign products. As they were in unsuitable markets, they bankrupted after a short period of time. A marketing cooperative, or a net of cooperatives are possible between cooperatives to market their products one to another each in its area.

During Intifada I a new dimension has been developed, that is some Palestinians of the 1948 occupied areas initiated marketing cooperatives between the two occupied parts of Palestine. But later, the PA's termination of boycotting the ZAE products curtailed these initiatives. During Intifada II the multiple siege imposed by the occupation blocked any chance for marketing. In fact, the Israeli army blocked every place from other places and open at the same time, routes for the Israeli products to reach each Palestinian inhabitant place to maintain the WBG market captured for Israel even during the hot time of the conflict, where people are eager, more than any other time, to boycott their enemy's products.

The free exchange with Arab countries will encourage popular marketing networks at the cost of individual merchants.

6- A Social Re-Distribution of Surplus

Of the DBPP first steps is re-distribution of surplus especially during Intifada as a popular initiative. Intifada experience re-affirmed that capital is against any form of justice, even during national struggle, and when the popular classes are sacrificing their blood and little money for their Homeland. Generally speaking, paying proper wages is one, but very simple form of (preliminary level) of re-distribution of surplus.

Since labor power is a commodity, its wage (price) decided according to the market equation of supply and demand. That is why trade unions' struggle has a role to play in wages question. When the ruling capitalist dictatorship increases wages, it is according to the necessity of maintaining social balance and encourages productivity. It never did that as an approval of relative re-distribution of surplus or what called by the bourgeois economists the sharing of the economic cake.

In the OTs, the individual capitalists were and still are benefited from the fact that the occupation was always supporting the decline of labor's wages. As mentioned several times in the previous pages, the Israeli occupation authorities have imposed more than two thousand military orders in the OT. But none of them related to wages. The reason for that might be one or both of the following:

- a.** Either because the Zionist occupation push for more internal social tensions between Palestinian social classes, especially the capitalists and working classes which lead to a weak Palestinian common struggle against occupation,
- b.** Or because the Zionist occupation authorities prefer to support the Palestinian capitalist class (when it is obliged to choose) at the expense of the working class, since many groups of the first are in fact have a joint and sub-contract projects with the Israelis, while the second is a spare head in the struggle against occupation¹⁵⁴. Briefly speaking, the occupation is against re-distribution of capital because of class and national reasons.

However, the weakness of the trade union movement rooted in its one dimension culture, the political/nationalist, rather than a joint political, national development and class attitude. Working class gave priority to national interest over its own class interest while capital never did the same, capital was and still is, always highly limited by it's own class vision. This in addition to the fact that the degradation of the class consciousness in the left circles, and its failure to integrate class and national struggles with each other in a manner which oppose the capitalists to domain and exploit the national struggle of the popular classes. The result is that wages kept always down.

During Intifadas, capital never tried to raise wages or increase employment. The PLO leadership never made any pressure on capital to raise wages, or to increase employment through more investments, i.e. to persuade capital to absorb more labor. The same is the case of the P.A.

In this case, the working class has to look for the radical way of re-distribution of surplus. Here it is not higher wages. Higher wages are a demand that should be raised continuously. For instance, when the workers got ten percent wage increase, they have to ask for another twenty...etc. But the popular classes started the DBPP, which aimed at

¹⁵⁴ There was an early, 1967, argument inside the AZE regime on what policy to apply in the occupied WBG. They were two main currents. The first is that of Dayan, who argues for the integration of the WBG economy into that of the occupation aiming at terminating the development of their infrastructure. The other was that of Pinhas Sapir, the Minister of Finance who argued for an open trade relations. What adopted by the AZE regime is Dayan's position.

withdrawal from the capitalist project as well. It is to start, work, produce and consume in a cooperative manner. This is a beginning of a national new law of value. (See Chapter VII).

This is not a mere re-distribution of surplus, it is a nationalization of surplus, it is an emancipation of the labor power through getting the chance to control itself and its labor power. And that is why it is a Cultural Revolution not in the field of culture, but in the field of work as well.

An example of this control is the Chain Projects that composed by a group of projects that operated together in an integrating manner, not separated from each other. For instance: If a group of people will start a grain mill as a shareholding cooperative with a little money per share, so as to recruit the largest number of individuals of the popular classes, the same people will be the workers and the consumers as well. In this case, the same shareholders in the cooperatives and some of them are independent producers as well. It will give shares for the farmers to plant wheat, barley and other field crops for the grain mill. These farmers will gain an income as shareholders, as a source of raw materials (input) and will help the grain mill as consumers who will get its products in a proper way. The same farmers if raise cattle, they will get benefits to buy fodder in a proper prices, their cattle will fertilize the land, and this will increase its productivity more, the fact that will afford large amounts of raw materials (inputs) to the grain mill from the cooperative members themselves. This is a higher level of self-satisfaction.

The grain mill will satisfy part of the domestic market needs from its product. This will keep part of the surplus inside the country, but in fact it is in the hands of the cooperation movement. It is some form of social re-distribution of surplus and developing a local/national law of value.

But a larger step for the re-distribution of surplus must be taken to pressurize the PA to redistribute the neglected and uncultivated land to the youths who are ready to cultivate it. The PA will never accept this suggestion, but it is necessary pressure over it as a way of educating people against a dependent regime. It clarifies the attitude of DBPP towards the economy of the PA. What is discussed here are two economies, two modes of production, one is the DBPP and the other is that of the capitalist regime, the two economies, modes of production, co-existing in an antagonistic relationship.

7- De-linking with Zionist and Imperialist Economies

This point has been mentioned above. But, it is important to note here that DBPP has started as an internal withdrawal *Insihab Ila-Aldakhel*, and it should end up to a real de-linking.

This form of de-linking is a decision by the popular classes. De-linking strategy never considered by PLO's organizations. The popular classes, themselves made and invent it through the boycotting of the ZAE products. But the creation of the PA was the factor that blocked this process since the P.A stopped the boycotting of the Israel products. That is why, Intifada I was the betrayed Intifada.

A corner stone of this model is to motivate the Arab, not only the Palestinian, popular classes' to boycott the Zionist and imperialist products, policies and culture. It is

important to note that this model needs to be generalized towards the whole Arab region. In fact it is started there (See later). All these important factors are impossible to be really raised without being supported by an economic popular policy of DBPP either, consumption, production and re-distribution of surplus. All these are components of a Cultural Revolution. This dimension has been terminated by the betrayal of Intifada.

This form of boycotting is absolutely contradicting the Arab capitalist regimes boycotting to the international companies who are dealing with Zionist entity¹⁵⁵. However, according to the imperialist settlement, this boycotting is going to be terminated¹⁵⁶. That is why, a popular Arab boycotting of the Israeli and imperialist products is important as a mechanism against the new dependency which imposed over the Arab countries through what so-called the Middle East market. It should be noted that the new Arab struggle against normalization with Israel is a popular Arab initiative started there in support of the WBG. This is re-encouraging for the Palestinians to continue their struggle of DBPP and encouraging of the Arab popular masses to expand their strategy of boycotting and anti-normalization.

8-A Pan-Arab Model of DBPP:

This model is possible to be adopted, developed and applied in the Arab countries as part of periphery and all COP as well, because they have a lot of similarities at the level of development, the social formations, the ruling classes, and the most important thing is that the popular classes' motives for struggle are similar. They share the same aims and fate as well.

The new movement in the Arab Homeland which started soon after Oslo in the forms of anti-normalization with Zionist entity, the rejection of the Imperialist market in the "Middle East" and the rejection of ITD of the Zionist entity into the Arab Homeland, all of these are new forms of class re-ordering on the popular classes level on the one hand, in every single Arab country and on the pan-Arab/national scale on the other.

This rejection represented by Arab intellectuals, professionals, and popular classes that are against normalization. What is necessary here is a development model to be offered to them and to be developed by them as well. That is why the DBPP is important as an Arab and live experience during Intifada.

A corner stone of this model is the Arab popular boycotting of Zionist entity in the levels of economy, politics and culture. This is an alternative to the false formal capitalist boycotting to Zionist entity that any way, its termination has been started by the Arab regimes themselves. The DBPP is the popular classes alternative to the Arab regime's acceptance and even facilitation of the Zionist entity's I.T.D into the Arab Homeland that practiced by the comprador capitalist *Iqlimi* ruling classes.

Briefly speaking, the generalization of the culture of and practice of boycotting and the anti-normalization activities with the core global capitalism and the Zionist entity, are transform DBPP to the national and international levels. We can't avoid the

¹⁵⁵ The Arab formal boycotting office against Israel and the international companies that trading with it started following 1948. It's main office in Damascus. It was practical as a formal one. But, its efficiency became weaker following the Egyptian president Anwar Sadat signed an agreement with the AZE in 1979 (the Camp David). Arab boycotting to Israel weakened after the P.L.O's signature an agreement with the AZE in 1993, (Oslo accords).

¹⁵⁶ See Adel Samara, Epidemic of Globalization, 2001 Chapter 5.//??????????/

question which is: is it possible to generalize this experience to the Arab and Third World levels. Our answer is that this is an open model to all contributions that lead to its improvement according to the internal situation in each country. I believe that it deserves to be considered as a base for development and regional development in the Arab and the Third World. That is why the discussion is not limited into the level of details.

According to the events and developments that took and still are taking place in the Arab Homeland, it is clear that the popular classes are more and more separating themselves from the agenda of the comprador capitalist ruling elite because of economic goals and political/national ambitions. The Arab Comprador and *Iqlimi* capitalists are deepening unequal development against the people's desire and eagerness for economic unity and development. The comprador regimes are supporting *Iqlimiyah* against Arab nationalism, it strengthens ruling nationalism against the latent nationalism, sharing in the imperialist market in the Arab Homeland and the ' Middle East' at the cost of Arab development and economic unity, participating in a compromise imperialist 'peace' at the cost of the legitimate Rights of the Palestinian people, giving the World Bank a free hand in their economies and to facilitate the U.S domination over the Arab Homeland, Internalizing the Defeat, and accepting the Zionist entity's Integration through Domination ITD into the Arab markets.

From the point view of the Arab popular classes, this wide division was a large gap that is difficult to be bridged, means that there is a great necessity for a pan-Arab Cultural Revolution, which the DBPP is its mere beginning. From its side, the counter-revolution strengthens its camp. That is why they preach for the expansion of the social base of the ruling political elite aiming at strengthening against the masses. This expansion is by "power sharing" between the ruling political elite and the private sector. This means that the gap between the popular classes and the dependent capital is expanding.

Accordingly, the DBPP is the proper people's socialist agenda to fight the counter-revolution. This agenda contains Arab economic integration on DBPP bases, boycotting the Zionist-imperialist products, rejecting normalization with the Israel and all states that supports it.

Chapter Seven

BEYOND DE- LINKING

In What Areas Development by Popular Protection is Beyond De-linking?

The first four chapters of this book was to answer the following questions: Is development an issue only limited into the Third World, or is it global? Is the center really keen in developing the periphery, or it is still try to apply a colonial 'development' even in the capitalist phase of globalization? Does development's failure in the Third World stems from the ignorance of cultural dimension? Is it right that there is no social, economic, political and technical reason behind the COP development failure? Is the failure of development caused by the role of state, or political parties, or the lack for coordination between the theorizing and political organization and social forces?

The answer for these questions needs a human and global perspective that is only socialism. But, according to the recent developments of the world order it is not enough to use the term socialism in a general and traditional vague meaning. What is necessary is a practical and substantial model. Part of the obstacles that face the solution is the new universal capitalist culture that devoted to educate the poor classes all over the world that There in no Alternative TINA to capitalism.

What I was trying to develop in the previous pages of the book is to elaborate the popular classes' model of development DBPP, and to proof that it is an alternative to the largely distributed capitalist propaganda and ideology which stated that: there is no alternative, except capitalism. The issue became more complicated and catastrophic as long as capitalism is creating its GCPS in the phase of globalization.

This model of development, DBPP, is different from other models. For instance, it is different from the first development trajectory that followed W.Rostow's 'Catching-up theory' (often referred to as the 'trickle-down theory'-take-off), because this model failed, from the perspective of the Third World peoples, to work in the Third World since more than fifty years. Because of its capitalist polarity, this model kept the Third World as periphery for the core capitalist countries. During this period of time several Third World countries, including Arab countries tried to apply the capitalist development model that never worked. But from the perspective of the designer of this model and his role as an agent to the U.S ruling class, this model really worked in terms of expands the underdevelopment of the Third World. While the withdrawal from the world capitalist system is imperative for developing the COP, this model, the catching-up, never dealt with this issue. In fact, this strategy was oriented towards more integration into the world system, on the one hand, and it tied itself in sphere of serving the interests of the capitalist elites, first that of the center and later that of periphery, on the other.

The COP adoption of the modernization approach end up with a blocking of their development in addition to another two new and dangerous developments, the first is a passive transformation, from inside, of the ruling elite of these countries from a nationalist capitalist class to a compadror class. The second is an imperialist infiltration into large sectors of the Third World intellectuals lured by NGO's salaries, cash money, positions in research centers, high wages for conducting reports and researches, jobs in universities, air lines tickets, conferences, seminars, ...etc. An infiltration that recruit a lot of Third World, mainly leftist intellectuals, to work for these institutions, and to be far as much as possible from radical politics to the extent that they became unable to restore their radicalism. These developments did deprive the popular classes from their important intellectual factor, the revolutionary intellectuals, in their struggle against capital, its struggle for development and socialism. These countries faced double compradorization, i.e. on the level of the ruling classes and the intellectuals. This emphasizes our idea that the weakest social groups in the COP in terms of compromise over national interests including the strategic one are the ruling and intellectuals elites. The most striking example of that is the Palestinian case¹⁵⁷.

But, the aim of this chapter is further than that. It aims to complete and transcend the world system theory of development and the way and means it suggested for the COP

¹⁵⁷ See Adel Samara *Muthakafoun fi Khidmat al-Aakhar*, (Intelliganci in the Other's Service) al-Mashriq al-A'amil publications, Ramallah, 2003.

to de-link from that system.

Amin, the main figure in the school argues, “De-linking: lastly, we have to be able to design practical action programmers linking democratization with social advancements, with sufficient courage to implement effective policies within such a framework and to deal boldly with the risk of conflict that arises from the thrust of capitalist expansion. (It is this option that I call de-linking)(Amin, 1997:146)

This is not an enough definition or plan for work. It is not clear on whom Amin is depending here as a vehicle to carry this de-linking: on the national state, on a party or on popular classes to perform de-linking? Each of the three is different.

The base of de-link is the internal-withdrawal, the rejection of integration into the world market, the conscious consumption, the as much as possible of self-sufficiency against imports. It is a productive behavior, image and plan, a popular decision, and a democracy confirmed by and based on the free role of work and production. This conditions a popular commitment from the popular classes to practice de-linking. This practice must be a result of class/national consciousness. Or in other words, it needs a class political consciousness against capital.

While the DBPP have many points in common with the de-linking theory or the world-system school, it is going beyond it in other many points and components. Following are the main characters in what DBPP different from De-Linking model:

1. State’s Role

State as apparatus, power, of the ruling class, is adopted, as the vehicle of the development project by the dependency and the World System de-linking schools aimed at de-link the peripheral countries from the world system. The state that they meant is the national state or that led by a socialist party. But, the experience of the second half of the 20th century proved that the apparatus of the national state is not an enough condition to conduct and achieve development in a socialist form. The state in most of the peripheral countries and those of the “socialist” Eastern Europe ends up as comprador or even *maphia* capitalist regimes.

While DBPP developed and deduced from *Intifada* as a popular, national struggle, it never limit its project into the national liberation era. In this level it is different from the bourgeoisie and right wing and semi-leftist arguments whose aim limited into the national liberation which subjected to the rule of the comprador. That is why DBPP as a theory for the different social formations, not only those under colonial occupation, taking into consideration the differences between each one and another. It should be noted that the moment of birth of this model, the DBPP, was a moment of the absence of the state power and apparatus in the WBG during the first *Intifada*. What facilitates the work of the DBPP in the first period of *Intifada* is the real absence of the bourgeois state (first the Israeli military and terrorist rule and the second the comprador capitalist local) as a machine of, dependency repression, control and in the best case of hegemony, on other words, the mal-function of the state power.

That is why in my PhD thesis, in the late 1980s, (before the beginning of Intifada I and the creation of the PA, I insisted that the DBPP is designed as a permanent development model, a model that works during and after national liberation struggle. It is because this model is in its essence a model for the popular classes to achieve their

development and emancipatory goals¹⁵⁸.

Regarding the relationship between state and development, DBPP is against attributing leading role to the state apparatus in the world of today since state is in fact representing the ruling capitalist classes, relatively, all over the world. In other words, while people in the center of the world order thinking that they are liberated, they are practically alienated by capitalism to the extent that their emancipation limited into the level of having better income in comparison to income in periphery. Of course the capitalist class in the center extracts surplus value from the working class. This exploitation is supported, used and sponsored by the role of the state. The same capitalism is destroying the environment, the health and the political/class consciousness of the working class and all the poor masses. In the capitalist society as an individualistic society, the ruling class educates people to act separately from each other no body cares for another (man for man, man for woman, rich for poor, strong for weak... etc). Neo-liberal policies in the center of the world order continued its campaign against the worker's wages and even their jobs, against workers organizations and trade unions. But, still there are no signs of strong worker's defense. Protected by the state, capitalism is conducting uncontrolled destruction of nature¹⁵⁹, but still there is no enough popular classes' struggle against that. This in addition to the fact that the ruling classes in the core countries exploits and/or even occupy the COP. All these world problems are interrelated. The limited struggle against capital in the core countries is increased recently by the anti-war and anti-globalization movement all over the core countries and the rest of the world. This movement, if continued, will develop to be a people's war against capitalist roaders and warmongers. It is a world wide edition of DBPP.

Through the dominance of the world capitalist system, the whole world became under the hegemony of the hierarchy of states. This hierarchy started from that of the Untied States global empire and goes down to the tiny states "colonies" like those in the Arab Oil Gulf countries. This U.S hegemony over the world never being possible without dependent and clientele states approval.

For peoples of the periphery, i.e. Arab countries, DBPP model is a mechanism of class and national liberation, because state is much more a mere exploitative/repressive apparatus. It is the 'enemy' to its own people, the popular classes, the majority, of the people. That is why it facilitates the country's drain of wealth, including those of the basic needs. The best example, might be, the *Qutri* state in the Arab Homeland that deliberately work against any integration of Arab economies, and deepening the unequal development between these Arab countries¹⁶⁰.

Amin still attributes a role to the national state in general by encouraging the creation of regional blocks on a world scale to become an economic, military, financial and scientific power on the world scale to replace the World Bank, IMF, WTO. These

¹⁵⁸ My PhD in the University of Exeter (U.K) has been published later in 1991, *Industrialization in the West Bank: A Marxist Socio-Economic Analysis*. Published by Al-Mashriq-Al-A'amil for Cultural and Development Studies, Ramallah.

¹⁵⁹ The U.S president, George W.Bush, refuse to sign Keyoto agreeent for environment protection. The United States refused the European initiative for controlling the money laundry. See, Lucy Komisar, Dirty Money. The Bush Administration is Blocking Efforts to Rein in Offshore Baning. In *The Nation*, June 18, 2001 p.p.16-17.

¹⁶⁰ See Samara *Epidemic of Globalization* 2001, Chapter two.

blocks should be integrated into a political organization. This pre-supposes a re-evaluation of the United Nations. Here he neglects the revolutionary movement on the national and world scale and substitute it by an expected radical policies by the bourgeois state. The anti-globalization imperialist war movement is new and composed of mixed currents, but still it contains the seeds of a future block which might lead to a radical transformation on the world scale.

According to the experience of periphery, especially the Arab one, it is a pre-condition to start from the complete and clear de-link between the revolutionary forces, the popular classes and the state ruling class. It is not wrong to encourage the state to do what Amin expecting it, or calling it, to do, but not from an alliance with it or even from a feeling of satisfaction that the state will conduct that job. The revolutionary forces must keep a clear and enough distance between their program and that of the ruling classes because none of them is completing the other but negating the other.

2- A Progressive Periphery's Regime is not enough

The DBPP model is going in fact beyond de-linking strategy. The de-linking strategy is designed, conducted and applied by a supposed progressive ruling regime in the peripheral countries. Accordingly, it is conditioned with the availability of a progressive or socialist regime as a regime. Due to this fact, it is imperative to develop this model, especially in this period of time, since all societies are divided into: The relatively "allied" official ruling regimes as one camp and the exploited ruled masses whose struggles are not united in an internationalist movement as the other camp. More and more, the distance between the positions of the popular classes and the ruling ones expanding even in the center, (consider the recent developments from Seattle to Quebec to Genoa) and the increasing unemployment, the adoption of neo-liberalism policies, degradation of feminist movement, and the termination of the workers' rights and the luxury state in general.

De-linking strategy try to put an end to the center's domination over periphery. (A domination which imposed by force since the beginning of the colonial era), but later on, it is, the domination, became protected by the local comprador classes of the ex-colonies themselves and recently the new U.S continuous planning for a U.S hegemony over the entire world either by contain or by force and direct occupation as it is in the Arab Gulf countries or by destruction as the case of Iraq and Yugoslavia. Or by the very new way of hegemony by recruiting a supporters and agents for its interests and culture, intellectual and academic elite in the periphery depending on the education, counter revolution, and media machine which create and facilitate state's hegemony. As it is well known, during the cold war, imperialism mainly depends on the political and intellectual elite to domain the Third World. In the past, hegemony were achieved by colonial repression and strengthened internally by collaborationist local political elite with imperialism, or by unequal exchange or by both. Now, it is the marketing of hegemony through the political and intellectual elite. But this never excludes force if the first failed.

De-linking advocates self-based development. Production must be based on the needs of the majority and optimal use of local resources. It call on national economies to 'de-link' from the international economic order, including its international financial institutions, like the World Bank, the IMF, and other international institutions

monopolized by the core countries, GATT and W.T.O. Accordingly, for a country to de-link, it must try to break from international market. This strategy, "the de-linking" criticizes the import-substitution model of the nationalist state because it failed to de-link from the international market. It is rightly attribute this failure to the nature of the ruling classes in the countries that apply the import-substitution strategy. That is why, de-linking strategy conditioned even indirectly that the ruling regime must be a socialist regime to start with. But the socialist regimes ends to a bureaucratic ones on the one hand and failed to catch-up with the capitalist center on the other and finally most of these regimes collapsed.

For Samir Amin, the export-led development leads not only to unequal development, unequal exchange on the international level but also, on the domestic level, to an exchange that benefits the 'new' local bourgeois, i.e. the comprador one which in fact inherited the progressive nationalist one. For instance, the comprador regime in Egypt substitutes the import-substitution policy by the open-door one *Infitah*. This policy is an in direct opposition to the priority of the local needs. The strategy of De-linking rejects international division of labor and supports its antithesis, i.e. the self-reliance of endogenous, self-centered development, the satisfaction of local needs and thus independence. Briefly speaking, its aim is to subject contacts with the outside world to the logic of the local interests and needs.

As noted above, De-linking strategy designed to be adopted by the COP state regime and applied on national scale. The state, and its ruling party, is the "guard" of the application of the de-linking strategy. But, still it came from upper down to below levels. It is the ruling elite, the state apparatus, who is leading the masses and not the other way around. (see later). The DBPP argues that this mean that it must be applied in communal or a grass-roots scale from below.

As it is noted above, the progressive regime, and the socialist government is not enough to carry the mission of DBPP. The 'socialist' and many nationalist regimes still pretend that they are ruling on behalf of the popular classes. They are in fact over the popular classes. In this level, specifically lie the class and bureaucratic roots that breed finally either bureaucratic 'socialist' regime that collapsed for the sake of compradoric *maphia* regimes or direct comprador regimes, as it is the case in most of the Third World countries.

3- Development Model from Below

The point of departure of the DBPP strategy is that it is started by and from the popular social classes. It is initiated by and oriented for these classes. Accordingly, it is in contradiction with the dependent capitalist classes. In fact, both of them are against each other. DBPP is the first strategy which is not designed by a ruling class or a ruling party even if they (the class in power and the party) are revolutionary. It is a form of development from below. It is an experience, initiated and motivated by the popular classes. From its mere beginning, this form of development, DBPP, is in fact a class struggle by the popular classes against the ruling ones. It is a development (with all its social, economic, political and cultural aspects) rather a mere struggle against the

interests of the ruling classes.

Most, if not all, other strategies are always pretending that they are national strategies for the sake of the society in general. But in fact, every strategy devoted to one class or class coalition only. The political, social, economic, cultural and moral goals of the DBPP should be initiated, adopted and conducted by the popular classes, not limited, mandated or 'guaranteed' by a political party who might monopolize power through that mandate.

As a movement which is from down-up, the DBPP shouldn't accept the bourgeois type of parliament. All bourgeois elections fall finally into the hands of the capitalist class. Accordingly, a new form of parliaments should be developed. If there will be a free elections, the seats must be divided according new categories. The old categories, i.e. cities, areas, ethnicities, religions must be changed. The seats of the parliament must be divided into class and gender bases. Each class should have seats according its size in the society, and inside each class, women should have fifty percent of the seats.

4- The Economy of Class/Party

“It was essentially a working-class government, the product of the struggle of the producing against the appropriation class, the political form at last discovered under which to work out the economic emancipation of labor... The commune was therefore to serve as a lever for uprooting the economical foundation upon which rests the existence of classes, and therefore the class rule. With labor emancipated, every man becomes a working man, and productive labor ceases to be a class attribute” (Marx, 1871, p.223).

The goal and practice of the social classes in the WBG during Intifada reflect the different interests of each class in the society despite of the fact that all the society was under a settler colonial oppression. Despite of the fact the mere existence of occupation generates a national struggle, including Intifada, and confirms the need for that joint struggle, it was obvious that the practice and experience of most of the bourgeois class was different, it was motivated by its own economic interests. The difference between the two camps of WBG social classes was mainly in the following levels:

a. The popular classes boycotted the Israeli Zionist economy directly when Intifada took place. This was a national/class struggle against the occupation. A new concept of consumption, the controlled consumption, did in fact replace the old one, the open and uncontrolled consumerism. But the bourgeois class never stops consuming the western foreign imports and the Israeli enemy's goods, and continue marketing these Israeli goods.

b. The investment and productive behavior of the popular classes were to produce as much as possible of the basic needs and in the shortest period of time. The goal of the comprador and consumerist bourgeois class was to continue import and consume the Israeli and foreign products.

c. These behaviors meant that the political attitude of the comprador and consumerist bourgeois was different towards the occupation than that of the popular classes. This made it clear that the Israeli colonial power's enmity is different, in grade, not in content, towards one class and another.

d. The economic interest paves the way for political compromise. That is why, the

occupation start contacting bourgeois comprador class, intellectuals, academics to prepare for the coming negotiations that crystallized in Madrid and Oslo¹⁶¹. One of the aims of the occupation and the comprador was to don't let the Intifada continue and to suppress its potentiality of developing its own social, development and cultural Intifada. That is why Madrid-Oslo is a betrayal of *Intifada*.

All these differences between the main class camps in the WBG, despite of the obvious nature, policies and enmity of the settler, colonial occupation, shows that the idea of a national economy is more an ideology than a reality on the ground. The reality is the existence of the economy of class. Here lie the difference between de-linking which deals with the national economy, and the DBPP that deals with the economy of class (Samara, 1989.b)

But this is not the end of the issue. A political organized body of the popular classes is important. A body that must be bred from the womb of the popular classes. The bourgeois continuously has its own party, the capital and power. Accordingly, the popular classes must have its own party and the party must have its own economy, its cooperatives and its means of subsistence, a means of subsistence for the party as a representative body of its members and supporters and for these members and supporters as a community.

As long as the party doesn't have its own economy, it will become dependent on outside sources of finance, one and even the 'best' of them is the local bourgeois ruling regime. The well known phenomenon in the Palestinian case is the political party's, mainly the leftist parties, dependency on the NGOs. This dependency ends to a new, but deformed phenomenon, the NGOization of the political parties. The leaders of NGOs, as the source of money, became the leaders of the political parties, either directly or indirectly. The large transferred amounts of money to some NGOs in the WBG enabled some NGOs leaders to split form their own parties and to establish new parties. They are in a rich financial situation that enables them to donate millions of dollars to villages aiming to recruit political loyalty. In this case, the NGOized parties are doing the job of donation on behalf of the Western capitalist regimes, and recruit as much as possible of young and leftist cadres to support the western capitalist agenda of the Arab Israeli conflict which is:

- a. The Palestinian refugees have been evicted to be settled out of Palestine.
- b. Israel created in the Palestinian Homeland to stay as a pure Jewish state. In other words, it is the termination of the Palestinian's people right of return.

The PA party, Fath, depend on the Arab and foreign donors to the PA, while the P.I depend on Persian and some Arab, formal and popular, assistance.

5- The Political Party: As Tool not Goal by Itself.

DBPP challenges the liberal and conventional arguments of ready-made development economic models. Instead DBPP argues for a strategy that initiated, designed and protected by the grassroots and focus on the political, class and cultural mobilization of the popular classes. Through this process, the popular classes develop its

¹⁶¹ My own experience

own party. In this issue, the party is the popular class's own social-political investment. That is why it comes as a result of the will and activity of the popular classes in its initiatives for development and the creation of its model of civil society. A model that is not designed adapted and dictated by the political society, the state.

It means that this development conditions a class coalition (a coalition of the popular classes) to be achieved, not the domination of one class. But at the same time it is not a national strategy for the so-called total national economy because there are class/s whose interests contradicts those of majority of the people. Some might argue that, if the party is already exist, how to deal with it? The answer here is that to what extent this party is revolutionary and democratic enough to allow the grassroots organizations to represent it and to enable grassroots organizations to decide by itself to support this party, to be its term of reference not the opposite. In fact, the natural born of this party should be from the womb of grassroots. This is the healthy way of developing a party in a DBPP manner.

It is important to differentiate between a party who pretend that it is created to represent the masses, and a party, the masses themselves create it and consider it as their representative, a party which the masses themselves mandates to lead, but under a mandate that the party leadership must report to the grassroots. This will never happen unless the party accumulates a heritage of credible sacrifices and services to the popular classes, until the party examined by the popular classes and become ready to be examined continuously.

DBPP is a flexible model designed by contribution of all popular classes as classes who creates their grassroots organizations. In this context, the political parties themselves are a final product of the social classes themselves. They are not controllers of social classes. The same is for the ruling party/parties who must rule according to the needs and attitudes of the popular classes. The role of the party here is to arrange and 'guard' the development process against deviations of bureaucracy, corruption and opportunism. The development process must take place as Self Management. Development must be created and adopted by popular classes not imposed over them. It is created, learnt and taught, but not only teaches. People should have the chance to become creative after being taught. If people did not share in creating it, it will fail. This means that there must be a proper environment for popular democracy.

Because this model generated through the mass struggle of Intifada, it never started from a reformist approach stated that the change of the society starts from the change of individual. One shouldn't minimize individuals or gradual change. Our objection is against those who adopt and defend the individualist approach. Who ignore, hide and neglect the class issue and finally the societies' interests.

It is clear here that the aim of this strategy is to liberate, protect and develop the economy of the class, the economy of the popular classes as the real joint interests. The role of the political party is to help in achieving that, not to create it from its own as a party through a party's domination over the economy in a bureaucratic manner. Since achieving this aim of development is beyond a mandate of the political party, even a communist one, surely it is not the role of the government's apparatus. The Maoist regime in China developed the role of the party, but not to the extent of what is really necessary. "...The requirement that party cadres should also engage in productive labor"(Hunt, 1989:242-43). This Maoist reply means that the party members

must be producers. They shouldn't be a parasitic bureaucratic apparatus if the party ruled. If the party did not make it as a condition that its members must be a self-sufficient people, they will fall into the trap of bureaucracy.

As it is noted in many places before, that there is no such real thing called the national economy in the class social formation, it is the economy of the class. Accordingly, there must be the economy, not the budget, of the political party. I don't mean here the ruling, but the revolutionary party. As long as the party, especially in the revolutionary period doesn't have its own cooperatives, the well and education of a productive and working cadres, it will be a parasitic party. When it will seize power, it will continue carrying the epidemic of becoming easily a bureaucratic party. The economy of party and class is the key or approach, towards the termination of capital, as a social relationship between human beings towards socialism. It should be noted that the national economy, as a joint classes economy, is an ideology, but the economy of class is the subsistence. It is because in the class economy, there is a real mutual and cooperative relationship while in the national economy there is a real exploitative class relationship.

As for the class structure of the party, according to the spread of education, the intellectuals lost their Nineteenth Century uniqueness, privilege as educated people over the ordinary masses. They can't continue being leaders, only because they got certificates. Here, the workers got the chance to lead. In such situation, the worker became worker because he didn't own, not because he is illiterate. Nowadays, the gap between mental and manual labor regarding reading, writing and having access to information relatively bridged. This process guarantees the election of the leadership of the party to take place in a democratic manner.

One of the most developed ideas on the party issue is Gramsci's ideas especially that the party must connect itself with sections of the class:

"Gramsci and Togliatti insisted 'It is not necessary to believe that the party can lead the working class through an external imposition of authority...either with respect to the period which precedes the winning of power or with respect to the period which follows it'. It could only lead if it really succeeded, 'as part of the working class, in linking itself with all sections of that class'¹⁶². Later in prison Gramsci wrote of the role of initiator of political change ('the modern prince') lying with 'the political party- the first cell in which there come together the germs of a collective will tending to become universal and total' (Gramsci 1971, p. 129, in Bottomore, 1991, p. 409).

On Party and State Gramsci wrote: "The socialist party is not a sectional, but a class organization: its morphology is quite different from that of any other party. It can only view the state, the network of bourgeois class power, as its antagonistic likeness. It cannot enter into direct or indirect competition for the conquest of the state without committing suicide, without losing its nature, without becoming a mere political faction that is estranged from the historical activity of the proletariat, without turning into a swarm of 'coachman-flies' on the hunt for a bowl of blancmange in which to get stuck and perish ingloriously. The socialist party does not conquer the state, it replaces it; it replaces its regime, abolishes party government and replaces free competition by the organization of production and exchange. (Forgacs, 2000:40-41)

The class is able to create its grassroots and popular basis. These organizations

¹⁶² Lyons Theses, drafted in 1925 by Gramsci and Togliatti, in Gramsci 1978, pp. 367-8

create the party to serve the class and to be under its sponsorship. This is the form of party that is able to deal with the modern time and societies.

An important issue is the relationship between workers councils and trade unions, and state and the ruling party. How to find in the DBPP a place for worker's councils? This means that society must establish a new parliament, one for workers, the councils, councils for peasants, intellectuals... etc. and these councils have to control the state, the party will mediate here as a delegated organizer, informer, consultant to the councils.

The parliament of an area or a region is not a representative one of all of it? It must be that of class, of producers. Through this way the struggle transcends the level of tradeunionism.

Again, the problem of real democracy comes back, how to gain a real democracy without being start from the production level. From a council that make the worker work free, and not alianeted. Lenin's slogan "All power to the Soviets" is a great base to build on here. The same is for Gramsci¹⁶³.

If the party will be a controller, protector and administrator of the popular classes' interests that attributes to him this role, and take it from him if he fails, the party itself will be flexible and not bureaucratic. Such party will attract the confidence of the popular classes and the intellectuals who are rarely accept to work with a bureaucratic party. If a party succeeds in doing that, it will be a pioneer party in both practices: practice of work (struggle) and practice of thought. The social struggle enables the party to avoid being a mere intellectual group. The party must report to the people, not to its leadership alone. The final reporting must be to the masses, to those whose interests are in the hands of the party.

6- A Self-Developed 'Local' law of Value

The labor theory of value is about the way in which 'surplus value' is generated and appropriated under the rule of capital. For Marx, the law of value is a capitalist one. It is applied in the transitional period towards socialism. During this transitional period, the policy of the socialist state should be devoted to terminate it¹⁶⁴.

¹⁶³ To give an idea how much intellectuals change realities and deform the revolutionary ideas and even occupy them, the following quotation is a good example.

Zionization of the left

"Kibbutzim in Israel may be regarded a specific form of workers' council, and although their mandate is much wider since they encompass all spheres of social and economic life, their basis is the production community which is organized in a direct democratic way (Rosner. M 1976, *The Kibbutz as a Way of Life*, State of California: Institute for Cooperative Communities, quoted in *(The Blackwell Dictionary of Twentieth-Century Social Thought* edited by William Outhwaite & Tom Bottomore Ernest gellner, Robert Nisbet, Alian Touraine 1994 p.718) There is no doubt that this is a compromise attitude towards the Zionist Kibbutzim, unless the writers are ignorant towards the essence of Kibbutzim as a an integrated projects into the capitalist market of Israel.

¹⁶⁴ The Role of state in socialism to minimize the role of the law of value

"Therefore, with regard to the production of major products in the rural collective economy, the regulating role of decisive importance is still played by the law of planned development of the national economy. The law of value merely plays a secondary role. Only for products which are not important to the state and the people, those not included in the state plan or procured through contracts, are the level of prices and the magnitude of income of greater importance". ..(*Maoist Economics and the Revolutionary Road to Communism: The Shanghai Textbook*, Banner Press, New York 1994 p.144-45)

Marx's theory of value indissolubly fused the quantitative relations between products and the historically conditioned relations between producers. He points out that commodity is a use-value- that is, a useful object- and an exchange-value. For Marx value is a social category that expresses a set of social relations prevailing at a given historical moment. The production and reproduction of the social relations embodied in commodity production does not constitute the universal form of economic existence in human history. For him, the categories used to describe the capitalist mode of production "are forms of thought which are socially valid, and therefore objective, for the relations of production belonging to this historically determined mode of social production, i.e., commodity production."¹⁶⁵

"The law of value is an objective law of commodity-producing society. It regulates the exchange of commodities according to the quantities of socially necessary labor expended in their production. In regulating capitalist commodity exchange, this value also regulates the distribution of labor and means of production between different branches of production. Labor power ceases to be a commodity under socialism"¹⁶⁶.

"For to concede the fecundity of these theses is to accept that development must take place by means of a rupture with everything that submission to the law of international value implies; in other words, it implies de-linking. To accept this is to admit that development within the world capitalist system remains, for the peoples of the periphery, an impasse"(Amin, 1989, p. 123).

This explain that while China of Mao were the most radical socialist experience that try to transcend the law of value, it did not made a rupture or departure of the law of value as a capitalist law but continuously working to achieve that.

What I meant by Intifada (and DBPP) local law of value, is a capitalist law, working in market relations in the WBG, but it is increasingly minimizes its connections with the international law of value, because an increasing percentage of exchange inside the WBG was a local production marketed inside the same areas. According to this increasing disconnection, it is considered a step forward although it is still taking place in a market level and in a small area who's economic development, to succeed, is conditional with its re-integration into the Arab countries.

Following the popular, spontaneous and self-designed law of value, some might accuse this approach as a new version of Autarky. But the popular protection development strategy has nothing to do with autarky. It should be noted that the design of this popular law of value must be connected with a Cultural Revolution as way to continuously develop this law.

How the Law of value Operates in capitalism, and how it is changed to work in Socialism?

"The state plan plays a primary and decisive role. The law is still useful, but it plays only a secondary and supportive role"(*Maoist Economics and the Revolutionary Road to Communism: The Shanghai Textbook*, Banner Press, New York 1994 p.p.145).

¹⁶⁵ "Marx, *Capital*, vol.1, p 169.

¹⁶⁶ *Maoist Economics and the Revolutionary Road to Communism: The Shanghai Textbook*, Banner Press, New York 1994 p.xix.

“... When the capitalist sees this opportunity for higher profit, he will rush in to invest in those more profitable sectors. In the opposite situation, capital will be withdrawn. It is under these blind conditions that social production develops. These conditions demonstrate that the law of value under the capitalist system is manifested as an alien force working behind people’s backs and is the overall regulator of social production...the law of value is no longer an alien force ruling over people. Basically speaking, it is consciously utilized by people to serve socialist construction”¹⁶⁷.

As long as socialism developed, the role of law of value will diminish, but this doesn’t mean that it is abolished. “Therefore, with regard to the production of major products in the rural collective economy, the regulating role of decisive importance is still played by the law of planned development of the national economy. The law of value merely plays a secondary role. Only for products which are not important to the state and the people, those not included in the state plan or procured (gained) through contracts, are the level of prices and the magnitude of income of greater importance”. “The same plan plays a primary and decisive role.

The law of value is still useful, but it plays only a secondary and supportive role. Even in the socialist society, like China during the Cultural Revolution, it wasn’t still easy to uproot the law of value. That is why:

“... The law of value...is a remnant of private economy. As long as the law of value exists, bourgeois right will also exist, and will bring danger and harm to socialist production. Hence, the socialist state must be extremely careful in utilizing the law of value, and must research, study, and sum up experiences. Only in this way, can we make use of its positive effects on socialist production, while at the same time we restrict its negative, destructive effects”.¹⁶⁸

This is a warning of the danger of the law of value socially, and emphasis on the role of state. This means again that the existence of a socialist state does not mean that the law of value has been abandoned. It is worth noting here that the socialist state in China during Mao’s time was the closest “socialist” state towards socialism, the closest state model to the state which the DBPP arguing for. But, the defeat of Maoism in China, push us towards re-evaluation of the Maoist socialist experience.

As initiated by and devoted for the popular classes, the DBPP is against the international law of value. DBPP is working to replace the international law of value, (which led by the market factors of the capitalist system) by a domestic law of value as it was the Palestinian case during Intifada I. In case of regional self-reliance, the domestic law of value will be that of the self-reliance group. As long as any country able to control its import and export, and able to produce as much as possible of its imports, it will be able to create its own law of value which is less related to the international law of value. It is clear that this law of value will be in contradiction with consumerism. This doesn’t mean that it became possible to get rid of the international law of value totally. Production and exchange still conducted according to the imperatives of market, for the market, to cooperatives and to the capitalist market as well.

During Intifada I, two forms or levels of law of value took place.

¹⁶⁷ *Maoist Economics and the Revolutionary Road to Communism: The Shanghai Textbook*, Banner Press, New York 1994 p.143-44)

¹⁶⁸ *Maoist Economics and the Revolutionary Road to Communism: The Shanghai Textbook*, Banner Press, New York 1994 p.p. 144-45.

First, the internal one is the exchange (marketing) between the popular classes that create its own law of value, its own estimation of values, costs, prices...and its own mechanisms of distribution under the tough Israeli closure measures. It easy for some people to call this an autarky! It is not. It is a model developed in the ground, in the field as a strategy of subsistence.

Second, in parallel to that, the capitalist class maintained the international law of value, especially through consciously maintaining their consumerist habits. That is why, they continue consuming the Israeli and foreign products on the one hand, and through marketing as much as possible of these products (despite of its high prices) in local black markets despite of the various leaflets which signed by the united ledaership of Intifada which ask the people to boycott the Israeli products on the other and the popular committees' street activities to forbid merchants from marketing Israeli products. In addition to that, the sub-contract companies increased when the PA brought by Oslo Accords to rule in the WBG 1993. The authority of the P.A could be summarized as a guarantee to the security of Israel in exchange for administrative role and money (as a price for its political compromise, a political rent for its political recognition of Israel) in parts of the WBG and to gain from that a free hand for milking the people. Its consumerist habit, its interest and that of the local westernized elite are in harmony and alliance to uproot the popular initiative. If the PA wasn't a compradoric regime, the DBPP's experience will go on and the self-designed law of value will expand. In fact, the U.S and Israeli Zionist regimes brought the PA to the WBG to block the development of Intifada I towards a socio-economic and cultural Intifada.

What made the assassination of the experience of Intifada possible is the absence of a revolutionary movement which deepens the culture of DBPP and the boycotting of the capitalist enemy's goods, movement that deepens the culture of resistance. Unfortunately, the Palestinian political movement wasn't that type.

Because of the long years of integration and dependency on the Israeli economy by an 'armed unequal exchange', the WBGs' economy ended up to loose its internal integration, it became without an economic center in addition to the termination of all its relationship with the Arab economies. The same situation continued during Madrid-Oslo, to the extent that the WBG trade with Jordan declined for the sake of its trade with the Zionist Israel!

During Intifada, an internal center emerged and developed based on the popular law of value. But, unfortunately, this has been suffocated by the peace for capital, which curtailed the popular boycotting of the Israeli commodities.

In its brutal aggression against Intifada I, the occupation concentrates its activity to breakdown the development of the local law of value as an instrument that strengthens the domestic strategies of subsistence. The occupation concentrate on: the termination of the developed cooperative sector by imposing a heavy tax burdens over it and by devaluating the Jordanian Dinar JD as the most used currency by the popular classes in the WBG. The devaluation of the JD by 40 percent did in fact consume the investment capacity of the popular classes. This step contributes in the stagnation and finally termination of the productive sector of the popular classes and their consumption ability.

7-Democratic Model

During the first two to three years of Intifada I, the Israeli army engaged in battles with youths who were fighting in the main streets of towns, villages and refugee camps. This cleaned villages and most of cities and towns suburbs from the occupation forces. In these places a new phenomenon of people's democracy emerged, i.e. the popular committees and the application of the local law of value. This is the economic democracy, the democracy of the producers, militants, popular committees, and suburbs and villages committees. In these places, people started their local and small-scale cooperatives. These cooperatives weren't mere commercial projects. They represented a new mentality, a new way of thinking in terms of cooperation and all other initiatives. As mentioned earlier, this environment lasted for the first three years of Intifada I.

Amin, as a prominent figure in the de-linking school, did approach the issue from a different angle:

“We need therefore, here and now, to seize the progressive democratic issues given a high profile because of the waning of postwar models, in order to give the attention to the thinking focused on them a radical spirit.(Amin, 1997: 149)

Clearly, the crisis will not be resolved until popular democratic forces capable of domination the society yet together again. Amin continue: “but all effective hegemony depends on the creation of these tools the intelleginsia has a huge responsibility. It is its mission to establish bonds between its own production thinking of the aspirations and actions of the popular classes, making them social partners; without this each is doomed to endure social isolation” Amin rightly attributes to the popular classes the hegemony over the rest of the society. But the role Amin attributes to the intellectuals shouldn't be open or loose. The intellectuals, like the party, must be under control of the popular classes. Intellectuals shouldn't privillaged just because of their intellectualism. The popular classes are not a mere social partner in development and politics. The popular classes must have the last word. Here we might touch the difference between people's democracy created by the popular committees during Intifada and the democracy that created by groups of intelligentsia.

Amin here jumps to the international and statist dimension, which in fact again make the issue loose and not concrete:

“These suggestions presuppose inputs from all levels, from the grassroots to states to regions, and the world system as a whole... Their implement would require the creation, perhaps in gradual stages, of anti-comprador fronts in the peripheral societies, it will also call for programmers aimed at the re-structuring of states capable of meeting the challenge. For there is no way the five monopolies identified earlier can be broken without the creation, in a major regional environment, of an economic, political, cultural and military powers strong enough to meet the challenge”.

Amin still argue for the sake of an old and self-contradicted form of coalitions, which impossible to be repeated in the current circumstances as long as most of the ruling comprador regimes in the COP became a mere agent to the ruling establishment in the United States. A front against the capitalist comprador is all right, but this form of argument is more a populist than a Marxist taking into consideration that he attributes to “state” a role of input in the anti-comprador coalition at the same level of the grassroots organizations!

Finally, the best is to end by what the Brazilian educator Paulo Freire wrote:

“Sooner or later, a true revolution must initiate a courageous dialogue with the people. Its very legitimacy lies in that dialogue. It cannot fear the people, their expression, and their effective participation in power. It must be accountable to them, must speak frankly to them of its achievements, its mistakes, its miscalculations and its difficulties.”

On the other hand, DBPP was democratic because it is emerged and rooted from and within the popular classes. It is democratic because it wasn't related to the state power. It is democratic because it was a camp against the local capital. It is democratic because it was against the settler colonial occupation.

The main reason behind its failure is that it is betrayed as part of the betrayed Intifada I before it got the chance to develop its social, economic, political and cultural aspects. The Intifada I have been betrayed as well because the neighboring Arab ruling regimes were worried that it will expand to the popular classes inside their countries.

Abbreviations;
JO
ITD
COP
FDI
IFI
ECLA Economic Commission of Latin America

III

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