

# Was the People's Democratic Republic of Yemen a Deformed Workers State?

By Yossi Schwartz, Revolutionary Communist International Tendency (RCIT), August 2015, [www.thecommunists.net](http://www.thecommunists.net)

The RCIT supports the just struggle of the Houthis against the Saudi Arabian-led coalition of monarchies and the Egyptian military dictatorship backed by US imperialism. We think that the only way to win this struggle is not by compromising with the old regime but by fomenting a working class revolution supported by the peasants and led by a revolutionary workers' party. <sup>1</sup>

Our opponents will ask "A socialist revolution in a country like Yemen?" Yes, a socialist revolution in a country that went in the direction of a deformed workers state in the 1960s. Had there been a revolutionary working class leadership then, the revolution in Yemen would have established a healthy workers' state which could change the course of history.

In this article we will first deal with the theoretical questions regarding the nature of a deformed workers' state and then we will examine whether Yemen was indeed such a state.

## Workers' State

The 1917 Bolsheviks led a working class revolution which established, for the first time in history, a workers' state. However before describing the normative workers' state, we must explain what a state is.

*"The state is, therefore, by no means a power forced on society from without; just as little is it 'the reality of the ethical idea', 'the image and reality of reason', as Hegel maintains. Rather, it is a product of society at a certain stage of development; it is the admission that this society has become entangled in an insoluble contradiction with itself, that it has split into irreconcilable antagonisms which it is powerless to dispel. But in order that these antagonisms, these classes with conflicting economic interests, might not consume themselves and society in fruitless struggle, it became necessary to have*

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<sup>1</sup> For the RCIT's analysis of the Yemeni Revolution we refer readers to:

RCIT: Revolution and Counterrevolution in the Arab World: An Acid Test for Revolutionaries, 31 May 2015, in: Revolutionary Communism No. 36, <http://www.thecommunists.net/theory/theses-arab-revolution/>

RCIT: Yemen: The al-Hadi Puppet Government Calls for an Imperialist Invasion! Victory to Yemen! Defeat the Al-Saud Gang of Aggressors! 8.5.2015, in: Revolutionary Communism No. 36: <http://www.thecommunists.net/worldwide/africa-and-middle-east/assault-on-yemen/>

Yossi Schwartz: The War in Yemen, Iran and US-Imperialism, 20.4.2015, in: Revolutionary Communism No. 35, <http://www.thecommunists.net/worldwide/africa-and-middle-east/yemen-war-us-and-iran/>

RCIT: Defend Yemen against the Al-Saud Gang of Aggressors! No to Sectarian Divisions and Civil War! For a Workers' and Popular Government! Joint Statement of the International Secretariat of the Revolutionary Communist International Tendency (RCIT) and the RCIT Yemen, 3.4.2015, in: Revolutionary Communism No. 34, [www.thecommunists.net/worldwide/africa-and-middle-east/saudi-aggression-vs-yemen/](http://www.thecommunists.net/worldwide/africa-and-middle-east/saudi-aggression-vs-yemen/)

Mohammed Al Wazeer: Yemen Under Attack, RCIT Yemen, 15.4.2015, [www.thecommunists.net/worldwide/africa-and-middle-east/yemen-under-attack](http://www.thecommunists.net/worldwide/africa-and-middle-east/yemen-under-attack)

RCIT: Yemen: Down with the Price Hikes! For a "Second Revolution" to Establish a Workers and Fallahin Government! 3.9.2014, in: Revolutionary Communism No. 27, <http://www.thecommunists.net/worldwide/africa-and-middle-east/yemen-uprising/>

Yemen: The Mass Protests continue, Report from a Yemeni Supporter of the RCIT, 4.9.2014, in: Revolutionary Communism No. 27, <http://www.thecommunists.net/worldwide/africa-and-middle-east/yemen-report-4-9-2014/>

*a power, seemingly standing above society, that would alleviate the conflict and keep it within the bounds of 'order'; and this power, arisen out of society but placing itself above it, and alienating itself more and more from it, is the state."* <sup>2</sup>

Lenin in *State and Revolution* wrote:

*"... the "Kautskyite" distortion of Marxism is far more subtle. "Theoretically", it is not denied that the state is an organ of class rule, or that class antagonisms are irreconcilable. But what is overlooked or glossed over is this: if the state is the product of the irreconcilability of class antagonisms, if it is a power standing above society and "alienating itself more and more from it", it is clear that the liberation of the oppressed class is impossible not only without a violent revolution, but also without the destruction of the apparatus of state power which was created by the ruling class and which is the embodiment of this "alienation". As we shall see later, Marx very explicitly drew this theoretically self-evident conclusion on the strength of a concrete historical analysis of the tasks of the revolution. And — as we shall show in detail further on — it is this conclusion which Kautsky has "forgotten" and "distorted"."* <sup>3</sup>

Relying on Engels, Lenin further wrote:

*"'Because the state arose from the need to hold class antagonisms in check, but because it arose, at the same time, in the midst of the conflict of these classes, it is, as a rule, the state of the most powerful, economically dominant class, which, through the medium of the state, becomes also the politically dominant class, and thus acquires new means of holding down and exploiting the oppressed class. ... The ancient and feudal states were organs for the exploitation of the slaves and serfs; likewise, "the modern representative state is an instrument of exploitation of wage-labor by capital. By way of exception, however, 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...." Such were the absolute monarchies of the 17th and 18th centuries, the Bonapartism of the First and Second Empires in France, and the Bismarck regime in Germany."* <sup>4</sup>

Thus the state is not a neutral body holding power; rather it is the instrument of the ruling class and in capitalism the ruling class is the capitalist class. The state apparatus (the army, police, courts, jails, public administration, etc.) defend the ruling class's mode of production. For the workers and the poor peasants to liberate themselves it is necessary to smash this instrument and replace it with a workers' state apparatus and expropriate the big capitalists under workers control in the economy and in the state apparatus.

In October 1917, the old Czarist state apparatus was smashed and a new revolutionary state apparatus replaced it. At the same time Lenin wrote:

*"The proletariat needs the state — this is repeated by all the opportunists, social-chauvinists and Kautskyites, who assure us that this is what Marx taught. But they "forget" to add that, in the first place, according to Marx, the proletariat needs only a state which is withering away, i.e., a state so constituted that it begins to wither away immediately, and cannot but wither away."* <sup>5</sup>

Lenin was very concerned with the danger of the growing power of the bureaucracy and he wrote:

*"The workers, after winning political power, will smash the old bureaucratic apparatus, shatter it to its very foundations, and raze it to the ground; they will replace it by a new one, consisting of the very same workers and other employees, against whose transformation into bureaucrats the measures will at once be taken which were specified in detail by Marx and Engels: (1) not only election, but also recall at any time; (2) pay not to exceed that of a workman; (3) immediate*

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<sup>2</sup> Friedrich Engels: *The Origin of the Family, Private Property and the State* (1884), in: MECW 26, p. 269

<sup>3</sup> V. I. Lenin: *The State and Revolution. The Marxist Teaching on the State and the Tasks of the Proletariat in the Revolution* (1917), in: LCW Vol. 25, p. 393

<sup>4</sup> V. I. Lenin: *The State and Revolution*, p. 397

<sup>5</sup> V. I. Lenin: *The State and Revolution*, p. 407

*introduction of control and supervision by all, so that all may become "bureaucrats" for a time and that, therefore, nobody may be able to become a "bureaucrat".*"<sup>6</sup>

The Soviets became state organs and the executive committee of the Supreme Soviet became the government. As Lenin wrote:

*"In this country, in Russia, for the first time in the world history, the government of the country is so organised that only the workers and the working peasants, to the exclusion of the exploiters; constitute those mass organisations known as Soviets, and these Soviets wield all state power."*<sup>7</sup>

The Bolsheviks eliminated the old ruling classes as classes by expropriation of the banks, big industry, and the large estates. They nationalized industry and the banking system and distributed lands to the peasants. The nationalized economy was under workers control.

The program of the Communist Party of Russia declared:

*"The organisational apparatus of socialised industry must in the first place rely on the trade unions. The latter must to an increasing degree free themselves from the narrow craft spirit and become big industrial associations embracing the majority and gradually all the workers in the given branch of production. Since, according to the laws of the Soviet Republic and by established practice, the trade unions already participate in all the local and central organs of management of industry, they must eventually concentrate in their hands the entire management of the whole of national economy as a single economic unit. Establishing in this way indissoluble ties between the central state administration, national economy and the broad masses of the workers, the trade unions must draw the latter as much as possible into the immediate work of business management. The participation of the trade unions in business management, and their drawing the broad masses into this work, represent at the same time the principal means of struggle against the bureaucratisation of the economic apparatus of the Soviet government and render possible the establishment of genuine popular control over the results of production..."*<sup>8</sup>

Tony Cliff, in his weak analysis of the former Soviet Union as a form of state capitalism as early as 1928, with the introduction of the first Five Year Program, nevertheless correctly pointed out in his book *State Capitalism in Russia* that:

*"... the Party cells participated in the running of industry together with the workers' plant committees. Together with these, and under their control, worked the technical manager: the combination of these three formed the Troika."*<sup>9</sup>

This structure of workers power in the factories was demolished by Stalin's political counterrevolution. In 1936 Trotsky wrote:

*"The present Soviet Union does not stand above the world level of economy, but is only trying to catch up to the capitalist countries. If Marx called that society which was to be formed upon the basis of a socialization of the productive forces of the most advanced capitalism of its epoch, the lowest stage of communism, then this designation obviously does not apply to the Soviet Union, which is still today considerably poorer in technique, culture and the good things of life than the capitalist countries. It would be truer, therefore, to name the present Soviet regime in all its contradictoriness, not a socialist regime, but a preparatory regime transitional from capitalism to socialism."*<sup>10</sup>

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<sup>6</sup> V. I. Lenin: *The State and Revolution*, p. 486

<sup>7</sup> V.I. Lenin, *What Is Soviet Power?* (1919), in: LCW Vol. 29, p. 248

<sup>8</sup> Program of the CPSU (Bolsheviks), adopted March 22, 1919 at the Eighth Congress of the Russian Communist Party, See <http://www.marxists.org/history/ussr/government/1919/03/22.html> or Robert McNeal (Editor): *Resolutions and Decisions of the Communist Party of the Soviet Union*, Toronto 1974, University of Toronto Press, p. 66

<sup>9</sup> Tony Cliff: *Russia: A Marxist analysis*, 1964, <https://www.marxists.org/archive/cliff/works/1964/russia/ch01-s1.htm>

<sup>10</sup> Leon Trotsky: *The Revolution Betrayed* (1936), Pathfinder Press, New York 1972, p. 47

In 1938, Trotsky explained that the rule of the bureaucracy in the economy stands in contradiction to the needs of the revolutionary form of the expropriated properties:

*“The incumbent ruling clique has replaced Soviet, party, trade-union and cooperative democracy by the domineering of functionaries. But a bureaucracy, even one composed entirely of geniuses, could not assure from its bureaus the necessary proportions between all branches of economy, that is, the necessary correspondence between production and consumption. What the lexicon of Stalin’s justice designates as “sabotage,” is in reality one of the evil consequences of bureaucratic methods of domineering.”*<sup>11</sup>

For Trotsky it was clear that the only way to defend the Soviet State and open the road to socialism was the removal of the Stalinist bureaucracy by a political revolution, as capitalist restoration was then a danger but still not a reality.

*“... The chief political task in the USSR still remains the overthrow of this same Thermidorian bureaucracy. (...) It is necessary to return to the soviets not only their free democratic form but also their class content. As once the bourgeoisie and kulaks were not permitted to enter the soviets, so now it is necessary to drive the bureaucracy and the new aristocracy out of the soviets. In the soviets there is room only for representatives of the workers, rank-and-file collective farmers, peasants and Red Army men.”*<sup>12</sup>

Trotsky also called for the return of workers control of the economy:

*“A revision of planned economy from top to bottom in the interests of producers and consumers! Factory committees should be returned the right to control production. A democratically organized consumers’ cooperative should control the quality and price of products.”*<sup>13</sup>

As long as capitalism was not restored in the USSR it was necessary to defend the Soviet state against imperialism. When Stalin and Hitler signed the non-aggression treaty in August 1939 and the Soviet Union invaded Finland, a tendency around Max Shachtman was formed in the SWP, the US section of the Fourth International as the Trotskyist International was called after its foundation in 1938. This tendency denied that the Soviet Union was still a degenerated workers state. In this debate Trotsky wrote:

*“The overthrow of the bureaucracy therefore presupposes the preservation of state property and of planned economy. Herein is the nub of the whole problem. Needless to say, the distribution of productive forces among the various branches of economy and generally the entire content of the plan will be drastically changed when this plan is determined by the interests not of the bureaucracy but of the producers themselves. But inasmuch as the question of overthrowing the parasitic oligarchy still remains linked with that of preserving the nationalized (state) property, we called the future revolution political.”*<sup>14</sup>

Trotsky emphasized that the gains of the Soviet Union were result of:

*“...the nationalization of the means of production and the planned beginnings, and by no means the fact that the bureaucracy usurped command over the economy. On the contrary, bureaucratism as a system became the worst brake on the technical and cultural development of the country.”*<sup>15</sup>

Trotsky elaborated on how to defend the Soviet Union against the Nazis:

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<sup>11</sup> Leon Trotsky: Twenty Years of Stalinist Degeneration (1938), Fourth International [New York], Vol.6 No.3, March 1945, pp.87-89, <https://www.marxists.org/archive/trotsky/1938/xx/stalinism.html>

<sup>12</sup> Leon Trotsky: The Death Agony of Capitalism and the Tasks of the Fourth International. The Transitional Program (1938); in: Documents of the Fourth International, New York 1973, pp. 212-213

<sup>13</sup> Ibid

<sup>14</sup> Leon Trotsky: The USSR in War (1939), in: Leon Trotsky, In Defense of Marxism, Pathfinder Press, New York 1973, p. 4

<sup>15</sup> Leon Trotsky: The USSR in War, p. 6

*“We do not entrust the Kremlin with any historic mission. We were and remain against seizures of new territories by the Kremlin. We are for the independence of Soviet Ukraine, and if the Byelo-Russians themselves wish – of Soviet Byelo-Russia. At the same time in the sections of Poland occupied by the Red Army, partisans of the Fourth International must play the most decisive part in expropriating the landlords and capitalists, in dividing the land among the peasants, in creating Soviets and Workers’ Committees, etc. While so doing, they must preserve their political independence, they must fight during elections the Soviets and factory committees for the complete independence of the latter from the bureaucracy, and they must conduct revolutionary propaganda in the spirit of distrust towards the Kremlin and its local agencies.*

*But let us suppose that Hitler turns his weapons against the East and invades territories occupied by the Red Army. Under these conditions, partisans of the Fourth International, without changing in any way their attitude toward the Kremlin oligarchy, will advance to the forefront as the most urgent task of the hour, the military resistance against Hitler. The workers will say, “We cannot cede to Hitler the overthrowing of Stalin; that is our own task”. During the military struggle against Hitler, the revolutionary workers will strive to enter into the closest possible comradely relations with the rank and file fighters of the Red Army. While arms in hand they deal blows to Hitler, the Bolshevik-Leninists will at the same time conduct revolutionary propaganda against Stalin preparing his overthrow at the next and perhaps very near stage.*

*This kind of “defense of the USSR” will naturally differ, as heaven does from earth, from the official defense which is now being conducted under the slogan: “For the Fatherland! For Stalin!” Our defense of the USSR is carried on under the slogan: “For Socialism! For the world revolution! Against Stalin!” In order that these two varieties of “Defense of the USSR” do not become confused in the consciousness of the masses it is necessary to know clearly and precisely how to formulate slogans which correspond to the concrete situation. But above all it is necessary to establish clearly just what we are defending, just how we are defending it, against whom we are defending it. Our slogans will create confusion among the masses only if we ourselves do not have a clear conception of our tasks.”<sup>16</sup>*

Trotsky believed that the USSR would not survive the war:

*“Can we, however, expect that the Soviet Union will come out of the coming great war without defeat? To this frankly posed question we will answer as frankly; if the war should only remain a war, the defeat of the Soviet Union will be inevitable. In a technical, economic, and military sense, imperialism is incomparably more strong. If it is not paralyzed by revolution in the west; imperialism will sweep away the regime which issued from the October Revolution.”<sup>17</sup>*

On this last point Trotsky was wrong as the Soviet Union not only survived but expanded first into Eastern Europe. To be sure, turning Eastern Europe into a bunch of deformed workers states was not the result of Stalin’s plans. Stalin wanted these states to remain capitalist states which at the same time function as buffer states. The needs of the nationalized economy that, at that time, was still expanding even under the Stalinist bureaucracy, the pressure of the working class and the threats of British and American imperialism pushed Stalin in the direction of transforming these states into types similar to the Soviet Union.

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<sup>16</sup> Leon Trotsky: The USSR in War, pp. 20-21

<sup>17</sup> Leon Trotsky: The Revolution Betrayed, p. 227.

## The Confusion of the Fourth International

When WWII was over and the Soviet Union survived the war, James P. Cannon, an American Trotskyist and leader of the Socialist Workers Party, stated that the war is not over because the Soviet Union still exists:

*“Trotsky predicted that the fate of the Soviet Union would be decided in the war. That remains our firm conviction. Only we disagree with some people who carelessly think the war is over. The war has only passed through one stage and is now in the process of regroupment and reorganization for the second. The war is not over, and the revolution which we said would issue from the war in Europe is not taken off the agenda. It has only been delayed and postponed, primarily for lack of a sufficiently strong revolutionary party.”*<sup>18</sup>

The reaction of the Fourth International to the formation of the East European Stalinist regimes was denial calling them state capitalism.<sup>19</sup> In the course of the discussion on East Europe, James P. Cannon, wrote:

*“I don’t think you can change the class character of the state by manipulations at the top. It can only be done by a revolution which is followed by a revolution in fundamental property relations ... If you once begin to play with the idea that the class nature of the state can be changed by manipulations in top circles, you open the door to all kinds of revisions of basic theory.”*<sup>20</sup>

Yet Eastern Europe went through a social transformation from above and the new state apparatus in the new states defended the working class form of property, while the capitalist class was eliminated as a class by expropriations. This was possible because the Soviet Union was still a degenerated workers’ state and because the pressure of the working class in these states and the threats of US and British imperialism. This brings to mind Napoleonic revolutions from above in the early 19<sup>th</sup> century. This point was already made by Isaac Deutscher who quoted Sorel:

*“In the countries which France united with her territory or constituted in her image [says Sorel], she proclaimed her principles, destroyed the feudal system, and introduced her laws. After the inevitable disorders of war and the first excesses of conquest, this revolution constituted an immense benefit to the peoples. This is why the conquests of the Republic could not be confused with the conquests of the ancien régime. They differed in the essential characteristic that, despite the abuse of principles and the deviations of ideas, the work of France was accomplished for the nations.”*<sup>21</sup>

In the other countries where deformed workers states were created it was done through revolutions led by petit-bourgeois leadership with the working class playing an active role in the revolution. We will examine this point in two different revolutions: those of China and Cuba.

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<sup>18</sup> James P. Cannon: The Russian Revolution – Twenty-eight Years After (November 1945), in: James P. Cannon: The Struggle for Socialism in the “American Century”, New York 1977, Pathfinder Press, p. 200

<sup>19</sup> See e.g. SWP (U.S.): Internal Bulletin, Vol. XI, No. 5 (October 1949). We have dealt with the Fourth International’s failure to understand the bureaucratic social transformation in the late 1940s and early 1950s in Workers Power (Britain) and Irish Workers Group: The Death Agony of the Fourth International, London 1983 as well as Workers Power: The Degenerated Revolution. The Origin and Nature of the Stalinist States (1982).

<sup>20</sup> SWP (U.S.): Internal Bulletin, October 1949, p. 25

<sup>21</sup> Albert Sorel, L’Europe et la Révolution Française, Part I (Paris, 1893), quoted in Isaac Deutscher : Two Revolutions (1950), in : Isaac Deutscher : Russia in Transition, Grove Press, New York 1960, p. 171

## China

It is not true that the working class in China in 1949 revolution was completely passive but it is true that the working class did not play the same role as in the Russian Revolution. As Ted Grant, a leader of the British section of the Fourth International, correctly noted at that time:

*“One of the outstanding facts in the situation in China is the relative passivity of the working class. It is true that as a result of the collapse of the Chiang armies, there have been widespread strike struggles in the large cities, Shanghai, Canton, Hankow and Nanking, despite the repressive conditions. However, it is clear that as the Stalinists advance towards the big cities on the Yangtse, the workers, for lack of a mass alternative, can only rally to their banner. The workers never supported the Chiang Kai Shek regime.”*<sup>22</sup>

The workers in the big cities were active during the revolution:

*“Chinese workers were organized in the sense that they were organized to become part of a support base for the new government. But when we talk about this support base, we’re talking about a very small minority of the Chinese working class as a whole. Those workers who lived in large cities like Wuhan, Shanghai, Beijing, did enjoy comparatively reasonable standards of living, health benefits, access to medical care, pensions, all very important things to working class people, of course. But they were a minority.*

*However the transformation of China to a deformed workers state did not happen in 1949 but in the early 1950..... In 1950 there was a large wave of industrial unrest where workers expressed disappointment with the gains of the revolution. Again in '55 after a process of nationalization of privately-owned industry in China, there was another wave of industrial unrest where workers were again expressing tremendous disappointment with the pace of change.*

*After 1953, and as the contradictions within the new regime, within the national barriers and parameters of the new regime became more and more apparent, the government was primarily interested in restraining and repressing labor dissent and militancy.”*<sup>23</sup>

Thus in China the revolution could not take place without the participation of the working class in contradiction to the Cliffites and their theory of “deflected permanent revolution” which claims that where a revolutionary working class does not exist, the intelligentsia could, in certain limited circumstances, take the leadership of the nation and lead a successful revolution in the direction of a state capitalist solution. The outcome of such a revolution would be deflected from the goal of a social revolution as envisaged in Trotsky's original work.

The LRP denies that, under pressure from the working class and the masses on one hand and the pressure of imperialism during the Korea war on the other, the Chinese Stalinists founded a deformed workers state. They do not deny that a revolution took place in China. The question to ask, however, is what kind of a revolution it was? From their writings it is clear that they think it was a bourgeois democratic revolution.

*“Unable to crush the masses or to develop as rapidly as necessary, given the Cold War and the Russian threat, the CCP had to institute a series of measures embodying important democratic and material gains. These included distribution of the land to peasants and the destruction of landlord power in the countryside; elevating the status of women; kicking out imperialist firms and providing a measure of unity to a badly fragmented country; raising health and educational standards; beginning a system of job guarantees for urban workers. In the same period, the regime tamed inflation and*

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<sup>22</sup> Ted Grant: Stalinist land programme wins peasants (1949), in: Ted Grant: The Unbroken Thread, Fortress Books, London 1989, p. 286

<sup>23</sup> Chinese Workers' Resistance, Norm Diamond interviews Tim Pringle, in: Against the Current No. 111, July-August 2004, <http://solidarity-us.org/node/1116>

*corruption and increased industrial production, using the Soviet model of development. All this won it a large measure of popular support and willingness to sacrifice.”*<sup>24</sup>

However, this claim is not consistent with Trotsky’s theory of the permanent revolution. Trotsky’s theory states that only the working class can win the democratic revolution by combining it with the socialist revolution. Assuming that they mean a deformed democratic revolution, did Trotsky argue that the petit bourgeois can carry out a deformed democratic revolution? Their theory is very similar to the Cliffites’ theory of a “deflected permanent revolution.”

## **Cuba**

In his book on Cuba, Michael Pröbsting of the RCIT has written:

*“Contrary to the legend that the Revolution of 1959 in Cuba took place without the participation of the working class the M-26-7 movement organized an underground Sección Obrera which had about 15,000 members. Later the M-26-7 helped to launch the Frente Obrero Nacional Unido (FONU) together with other unions. This new organization adopted a 12-point programme that called for a 20% wage increase, for opposition to mechanization along with other measures against unemployment, for an end to racial discrimination, for social protection for women, children and the unemployed, for the reinstatement of victimized workers, for trade union democracy and the end to the compulsory check-off as well as for the reinstatement of the 1940 constitution. The workers section of the M-26-7 played an important role in organizing several political general strikes in which sugar workers were actively involved. Thus, for example, during the strike which started on 30th November 1956, the workers in the processing plant of the ‘Ermita’ sugar estate, where the M-26-7 had two active cells, successfully attacked the police barracks on the plantation. While the M-26-7 supporters called this combination of mass action with armed resistance and sabotage ‘sindicalismo beligerente’, the fact remains that such working class action always only played a supportive role for the M-26-7’s main form of struggle – the rural guerilla war. In contrast to the Bolsheviks and the socialist revolution they led in 1917, the workers organizations and struggle never became the heart of the M-26-7’s struggle and the movement itself.”*<sup>25</sup>

Like in China, where the social transformation took place in 1953 and not in 1949, the social transformation in Cuba did not occur in 1959, when the Castroites took power, but later on. The transformation took place because of mass pressure from below, US imperialist pressure from outside, and the existence of the Soviet Union that was ready to support the Cubans economically. The Cuban workers did go on general strikes in 1959 and were more active than the Chinese workers but, like in China, the Trotskyists were too few while the influence of the Stalinists and the Castroites was large and thus the working class did not have a revolutionary leadership; the result was the founding of a deformed worker state.

## **The Confusion over the Question of the Deformed Workers State versus State Capitalism**

In the late 1940s the Fourth International declared that the states of Eastern Europe remained regimes of state capitalism while the Soviet Union stayed a deformed workers state. This is illogical, as Tony Cliff wrote:

*“No scholastic argument will succeed in convincing anyone that the “People’s Democracies” with state ownership, a monopoly of foreign trade, planned economy, the increasing collectivization of agriculture, are capitalist countries, while Russia, the motive force behind the development of all these traits in the “People’s Democracies”, is a workers’ state. In time*

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<sup>24</sup>LRP: China’s Capitalist Revolutions, in: Proletarian Revolution No. 53 (Winter 1997), <http://lrp-cofi.org/PR/ChinaPR53.html>

<sup>25</sup>Michael Pröbsting, Cuba’s Revolution Sold Out? RCIT, Vienna 2013, pp. 17-18

*the position of Germain and John G. Wright will become less and less tenable, and its main danger is not so much in itself, as its absurdity will become manifest, but that by preventing people from thinking it out to its logical conclusion, it can drive them to the other alternative, namely that if Russia is a workers' state, then the "People's Democracies" are also workers' states. This position forces us to drop our definitions of Stalinism in general as counter-revolutionary."*<sup>26</sup>

However, Cliff's incorrect conclusion was that the Soviet Union became a regime of state capitalism in 1928 when the rising bureaucracy responded to the threat of invasion from Britain and France by a shift towards rapid industrialization. For Cliff, the litmus test was whether workers were in control of the state and the means of production. But if the working class was in control of the economy and the state apparatus it would be not a deformed workers' state but a "healthy" workers' state.

The LRP maintains that the Soviet Union became a regime of state capitalism in 1939.

*"We agree with Trotsky's outlook up to 1939. But we hold that the counterrevolution culminated on the eve of World War II. It created a new ruling class by transforming the state apparatus and destroying the Bolshevik party; contrary to Trotsky, the restoration of capitalism was completed. Accompanying the well-known centralized power of the Stalinist state were qualitative steps toward the effective decentralization of state property, forerunners of the "markets" and anarchy clearly visible today."*<sup>27</sup>

The LRP's main argument is that only a working class revolution can form any kind of a workers' state. Their method denies concrete reality and "corrects" Trotsky's analysis of the USSR by means of a pragmatist theory. They argue that only the working class can liberate itself which is very true, but then they equate the healthy workers' state with the deformed workers' state. If the two were essentially the same, there would be no need for a political revolution by the workers in the deformed workers states.

## **Marxist Theory**

There is nothing new in any of these arguments which Trotsky did not already reply to in 1940. The Stalinists are a counterrevolutionary force which blocks the road to socialism. They must be removed by political revolution to prevent the restoration of capitalism. A workers' state is not the first stage of socialism but a transitional formation between capitalism and socialism. Because of its transitional nature, it is possible that the bureaucracy itself restore capitalism in a deformed workers' state as we saw in the former Soviet Union, Eastern Europe, China, and Cuba. The difference between state capitalism and a deformed workers' state is the elimination of the capitalist class as a class when the transition from capitalism to a deformed workers' state is taking place. The cases where the Stalinists or the Fidelists founded deformed workers' states is not the historical norm, but the result of exceptional circumstances which pushed them further than they intended to go; pressure from below by the working class and from the imperialists. Under different circumstance, they would have turned themselves into a new capitalist class and restore the capitalist mode of production. The proof is the fact that the USSR became a capitalist economy in the early 1990s and not in 1928 or 1939.

The *Spartacists* and the *League for the Fourth International* tried to defend the USSR by allying themselves in East Germany with the army, the Stalinists state apparatus, and simply ignored the fact that the Stalinist state apparatus no longer defended the workers form property, because under the Stalinist bureaucracy the forces of production stopped developing. The circumstances were very different in WWII, when the Stalinists defended the degenerated workers' state using counterrevolutionary methods. The argument of the Spartacists and

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<sup>26</sup> Tony Cliff: On the Class Nature of the "People's Democracies (1950), in: Duncan Hallas (ed.), *The Fourth International, Stalinism and the Origins of the International Socialists*, Pluto Press, London 1971, pp. 22-23

<sup>27</sup> Walter Daum: *The Life and Death of Stalinism*, Socialist Voice Publishing Co., New York 1990, pp. 9-10

company that the Stalinists are both revolutionaries and counterrevolutionaries at one and the same time is entirely false, and simply an apologetics for the Stalinists, as we saw when they defended the Stalinists against the working class

Ted Grant's theory of proletarian Bonapartism which claims that presumably every party, including the army, can under pressure form a deformed workers' state is false as well. Iraq, Syria, or Yemen, to mention a few examples which were claimed to be deformed workers' states were not in fact deformed workers' states but regimes of state capitalism. Furthermore, in their politics these states not only tailed Chavez, but regarding Cuba they denied the need for a political revolution at the time that Cuba was still a deformed workers state.

## Yemen: Deformed Workers' State or State Capitalism?

Let us now discuss the issue of the class character of South Yemen – or the *People's Democratic Republic of Yemen* (PDRY) as it was officially called – between the early 1970s and 1994.

At the same time that the former Soviet Union was collapsing, South Yemen, which was considered by bourgeois scholars to be a “socialist” state, and North Yemen, which no one ever thought was a “socialist” state, reunited. The gains in education and health services of the workers and the poor, especially women, in South Yemen, were to a large degree lost. Human Rights Watch reports about the terrible conditions in the health sector:

*“People with HIV and AIDS are routinely denied care within Yemen's health care system, Human Rights Watch said in an October 2014 letter to the Yemeni Minister of Health released today. Yemeni authorities should end discrimination by health workers against people with HIV and ensure patients' equal access to healthcare services, as mandated by a 2009 law.”*<sup>28</sup>

Likewise, the UN's World Health Organization gives a grim picture of the development in the past two decades:

*“Since the reunification of Yemen and the economic crises of the early 1990s, health spending had declined dramatically with a consequent deterioration of state-guaranteed services. Widespread poverty is exacerbated by the side effects of the structural adjustment programmes adopted by the government. Today, Yemen's health situation is one of the least favourable in the world, and more than half of the Yemenite population lacks access to health care. This is partly due to the lack of reachable provider facilities, mainly in rural areas where more than two out of three citizens are excluded from health care. The other relevant factor that affects accessibility is the inability of the poor population to pay for health care. Only a minority has access to any type of pre-payment scheme for covering personal expenditure in case of illness. The cost of treatment, the main determinant for having access to health care services, makes poor people drop out of the health.”*<sup>29</sup>

Likewise there has been a significant deterioration in the education sector which negatively affected particularly women.

*“Just prior to Southern independence from Britain only 15.3 percent of South Yemeni women could read, and only 231 girls attended secondary school. Within the Socialist period's first decade, not only were primary and secondary rates for girls and boys equal, but women outnumbered men in the fields of medicine and education at the university level. (...) The contrast with the experience of Northern women during the same period could hardly be starker. When the Imamate was dissolved in 1962, there were no government schools for girls in Yemen.”*<sup>30</sup>

The gains of the workers, peasants, and poor in PDRY were the result of the nationalization of parts of the economy and the more egalitarian policies of the government. The fact that bourgeois scholars call this socialism reflects their admission that socialism is better for the workers and poor than capitalism. But, unfortunately, the PDRY was not socialism and not even a workers' state, i.e., a transition to socialism, nor even a deformed workers' state but rather a regime of state capitalism.

Massive nationalization even under one-party rule is not the litmus test that allows us to differentiate between state capitalism and a deformed workers state. The real test is whether the local capitalist class was eliminated as a class. The case of South Yemen is very interesting, as it went very far on the road leading towards the creation of a deformed workers state. However, it retained a form of state capitalism. The old state apparatus was

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<sup>28</sup> Human Rights Watch: Yemen: HIV Patients Denied Health Care, November 3, 2014, <http://www.hrw.org/news/2014/11/03/yemen-hiv-patients-denied-health-care>

<sup>29</sup> WHO: Towards a national health insurance system in Yemen [www.who.int/health\\_financing/countries/yemen\\_en1-2\\_9-background.pdf](http://www.who.int/health_financing/countries/yemen_en1-2_9-background.pdf)

<sup>30</sup> Steven C. Carton (Editor): Middle East in Focus: Yemen, Santa Barbara 2013, p. 110

destroyed to a large degree, a section of the local bourgeois escaped after the nationalizations, the organized workers supported the left wing of the FLN, but still the local bourgeois was not eliminated as a class. While many bourgeois scholars claim that South Yemen became a “socialist” state, a review of all the information leads to the conclusion that in the PDRY there remained a regime of state capitalism.

Yemen was an agrarian, largely nomadic society until the British occupation of South Yemen at the beginning of the 19<sup>th</sup> century. The port of Aden and the oil refinery at Little Aden (the peninsula that encloses the western side of Aden’s harbor), built originally by British Petroleum in the 1950s, led to the appearance of local comprador capitalists and a small industrial working class. South Yemen was a part of the British Empire from 1839 to 1967, when they were driven out by the anti-imperialist struggle.

*“The first trade union was started by pilots in 1952. After Queen Elizabeth visited Aden in 1954, strikes and protests intensified and by 1956 all workers were unionized, with workers fighting for better social and working conditions, with the support of youth and students. Increasingly these struggles clashed with the occupation regime and the uprising took up the demand for independence for the South. The independence movement was strongly influenced by the Arab nationalism of Nasser in Egypt. Initially a peaceful movement, the Aden TUC turned to armed struggle after a bomb explosion killed trade unionists protesting at the airport.”*<sup>31</sup>

The struggle for independence from British imperialism was at the same time a struggle among the different nationalist organizations and eventually the more radical wing of the FLN won and transformed itself into the *Socialist Party of Yemen*, a “Marxist-Leninist” (i.e. Stalinist) party. This left wing nationalized a large section of the economy and parts of the capitalist class fled to North Yemen. However, the private sector survived.

During the struggle to liberate South Yemen from the British rule three rival petty-bourgeois nationalist movements struggled for control of Yemen. Least important was the *South Arabian League*, formed around the Sultan of Lahej. It was also the most conservative force, backed by Saudi Arabia.

Then there was the *Front for the Liberation of Occupied South Yemen* (FLOSY). FLOSY was strongly influenced by Egypt’s president Gamal ‘Abd al-Nasir’s. It was based in Aden and had close connections with the *Aden Trade Union Council* (ATUC).

Finally, there was the *National Liberation Front* (NLF). The NLF was a loose movement amongst which the strongest faction was related to the *Arab National Movement*. (The Palestinian PFLP and DFLP also emerged out of this radical pan-Arab nationalist organization.) The NLF has its base amongst the lower popular strata outside of Aden, including in the North. It initiated an armed struggle against the British occupation in October 1963.

As the British were ready to leave South Yemen a military conflict between the NLF and FLOSY took place and the NLF won. The latter declared independence in the South on November 30, 1967. The new state was named the *People’s Republic of South Yemen*. This new republic consisted of the southern provinces of Yemen -- Aden, Lahij, Abyan, Shabwa, Hadramawt and Mahra.

Later, in 1970, it was renamed the *People’s Democratic Republic of Yemen* after a radical wing of the self-proclaimed Marxist NLF came to power and all political parties were forced to join the *Yemeni Socialist Party* (YSP). The PDRY became the Arab world’s first “Marxist” state. The Soviet Union, China, Cuba, and radical Palestinians established close ties with the new state.<sup>32</sup>

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<sup>31</sup> Mirfat Sulaiman: Letter From... South Yemen, in: Socialist Review No. 385 (November 2013), <http://socialistreview.org.uk/385/letter-south-yemen>

<sup>32</sup> For an overview of the first tumultuous years see Fred Halliday: Revolution and Foreign Policy. The Case of South Yemen 1967-1987, Cambridge University Press, Cambridge 1990, chapter I; Laurie Mylroie: Politics and Soviet Presence in the People Democratic Republic of Yemen, RAND 1983; Paul Dresch A History of Modern Yemen, Cambridge University Press,

In 1967 the new government was made of three factions. One was led by Qahtan Al-Shaabi an Arab socialist, who was orientated towards Nasser's Egypt, Algeria and Syria. His support was mainly in the army. Another one was led by Salim Rubi Ali, a populist influenced by China who became the first president. The third one was led by his successor Abdel Fattah Ismail. He was pro-Moscow and established a "vanguard party" rather than a mass party. Qahtan Al-Shaabi was soon to be overthrown by the more radicals. The left called for a purge of the army and the government. However, the army leaders fought against the more left radicals and at the beginning they won.

Haytham became the new Prime Minister and a coalition with the left existed for a time. The army was purged and popular militias were organized by the left. Land reforms were carried out. The left removed Haytham from power in 1971. At first Ismail won and close relations with the USSR were established. The new internal security force was trained by East Germany and the Cubans trained the militias. In 1972 the old NLF became the Socialist party of Yemen.

Soon the new regime implemented a number of radical social and economic reforms. A Central Planning Organization (CPO) was established which in 1972 produced a three year plan followed by five years plan for 1976-81. However, in contrast to the degenerated workers states in the USSR, China or Eastern Europe, the reforms aimed to establish a strong state-capitalist sector in order to modernize the country but not with the goal of liquidating the law of value.

The result was a mixed economy with a strong state-capitalist sector alongside a private capitalist sector. Land ownership was dramatically equalized, but the economy retained many features of a traditional agrarian economy comparable to that of North Yemen, which was just embarking on its first commercial and industrial projects.

*"Production systems in the South included subsistence agriculture on family land mixed with herding on commons, sharecropping on pre-capitalist estates, and wage labor on modern farms. In Aden and Lahej, where ownership was most distinctively class-divided, the revolutionary regime expropriated the largest holdings as well as religious endowments (waqf). The number of expropriated estates increased from 18 to 47 between 1975 and 1982 with the addition of some smaller properties of unpopular landlords. These state farms, with modern equipment and wage labor, managed most farm land in Aden governorate and nearly a third in Lahej just to the north. Redistributed land, nearly two-thirds of the South's cultivated area, was classified as cooperative. Over a quarter, mostly in the east, remained private."*<sup>33</sup>

The state-capitalist sector dominated the central industry like power, water and the oil refinery. At its highpoint it controlled about 60-70 percent of the value of industry in the South. Mixed companies produced cigarettes, batteries and aluminum utensils. Wholly private firms were either small-scale plastic, clothing, glass, food and paper-goods manufacturers or traditional carpentry, metal, pottery or weaving industries.

It is important to bear in mind, in the words of Sheila Carapico, that "at best, the North's capitalist orientation and the South's socialism represented tendencies or goals, for both were really "mixed" economies." As she notes, the South never was an entirely state-owned economy. The nationalizations of 1969 affected foreign financial, trade and services businesses. Between 1973 and 1976, consolidation of state and joint industrial ventures continued, reducing the contribution of private domestic firms to industrial production from 51 percent to 38 percent, and the contribution of foreign firms from 36 percent to 10 percent. In fishing, however, foreign investors replaced some cooperative production. By 1976, private domestic and foreign firms held about 40 percent of the construction market, and local private transportation had over half the market. Cooperatives were credited with

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Cambridge 2000; Global Security.Org: South Yemen History: <http://www.globalsecurity.org/military/world/yemen/yemen-south.htm>

<sup>33</sup> Sheila Carapico: The Economic Dimension of Yemeni Unity, in: David McMurray, Amanda Ufheil-Somers: The Arab Revolts: Dispatches on Militant Democracy in the Middle East, Indiana University Press, Bloomington 2013, p. 130

71 percent of agricultural output, and the state with the rest, but livestock production was over 90 percent private.

Later, the state-capitalist regime focused on promoting private investment. This was formulated in the regime's plan for 1981-1985. In fact, during the first three years of the plan private sector participation exceeded expectations by eight percent, mostly in agriculture and local private fishing. The 1988 census reported that of nearly 35,000 establishments, 75 percent were private, 21 percent governmental, and the remainder cooperative or joint ventures. As a result only 25 percent of the work force was employed in state-owned enterprises in 1988.

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This drive towards reduction of the state-capitalist sector was accelerated by the decline of the USSR – the main ally of the South Yemen regime. Once the so-called Marxist Leninists saw themselves deserted by Gorbachev, the darling of the US and European imperialists, they decided to save their good life by joining the capitalist class of the North. To ensure as little resistance as possible these “Marxist-Leninists” spread the illusion of a bright future on the horizon. They were also motivated in their desire to unite with the North by potentially large profits to be gained from a rational exploitation of the newly found oil and gas deposits.

Obviously the unification of North and South Yemen was a fusion of equals. The ruling class in the North was the dominant part despite the attempts of the Socialist Party to claim victory.

*“When the unification of Yemen was declared in 1990, the south Yemenis thought that they had finally succeeded in achieving their old slogans that called for safeguarding the Yemeni revolution, unity, and democracy. For a long time, school students in south Yemen chanted these slogans and sung the praises of unification. But the years that followed the reunification of Yemen were sufficient to turn this dream into a nightmare for most south Yemenis.”*<sup>35</sup>

Once the Northern capitalists took over South Yemen, they started to loot the South’s economy. Jomana Farhat describes this accurately:

*“For example, up to 46 governmental and public sector institutions and establishments were forcibly seized, including the Monetary Authority and the General Establishment for Flour Mills. Aqel also said that more than 28 state-owned factories were appropriated, including manufacturers of textiles, dairy products, and agricultural equipment. But this did not stop with the public sector. About 11 mixed private-public and privately-owned production plants were also seized, in addition to around 33 state-owned farms with a total area of approximately 28,000 acres, scattered throughout the southern provinces. The 56,000 employees of these establishments were fired after the war of 1994. Furthermore, 86 agricultural and service cooperatives were confiscated, in addition to properties owned by agricultural associations. Their members, who are estimated to number around 16,449, were in turn denied access. Similarly, the fishing fleet belonging to the People’s Democratic Republic of Yemen was looted, having once been the second largest Arab fleet of its kind.”*<sup>36</sup>

In conclusion, in the 1960s the NLF led a revolution backed by the working class and the peasants. What kind of a revolution was it? Yemen, like many other former colonies, did not go through a bourgeois democratic revolution. The main tasks of the democratic revolution are liberation from the imperialists, an agrarian revolution, and equality of all before the law. While the YSP was able to carry out some of the tasks of the democratic revolution it was unable to free the country from imperialist domination. While it succeeded in implementing a number of social and economic reforms, it did not abolish capitalism altogether.

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<sup>34</sup> Susanne Dahlgren: The Snake with a Thousand Heads. The Southern Cause in Yemen, in: Middle East Research and Information Project, Middle East Report No. 256 (Fall 2010), <http://www.merip.org/mer/mer256/snake-thousand-heads>; See also Dilip Hiro (Editor): Inside the Middle East, Routledge, Oxon 1982; Manfred W. Wenner: Yemen, Economy, Britannica, <http://www.britannica.com/place/Yemen/Economy>

<sup>35</sup> Jomana Farhat: South Yemen: Unification Dream Becomes Nightmare, Al Akhbar Newsletter, 13. 11. 2012, <http://english.al-akhbar.com/node/13582>

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At the same time, its existence was dependent on the economic support of the Soviet Union which was a degenerated workers' state until 1991. Once the Soviet Union collapsed, the PDRY collapsed as well.

However, this must not make us ignore the important achievements of the revolution. The national liberation movement – led by the petty-bourgeois nationalist NLF and supported by the working class and the fallahin – succeeded in driving out the British imperialists which occupied the country since 1839. After the revolution took place and the left wing of the NLF took power, the new regime called its state “socialist” while in fact it was state-capitalist. Nevertheless, it was an important achievement that properties that previously were robbed by the imperialists were nationalized as well as part of the property of the local capitalists.

The revolutionary events in South Yemen in the late 1960s and early 1970 show that a socialist revolution would have been possible if a revolutionary workers' party had existed. Building such a party remains the central task for revolutionaries in Yemen as well as internationally.