

International VIEWPOINT

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The decade of debt

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International VIEWPOINT

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Self-determination under attack

THE occupation of Slovenia by the Yugoslav Federal Army, following the declaration of independence by that republic and neighbouring Croatia on January 25, marks the climax of a long process of disintegration of the Yugoslav federation.

As we have explained in previous issues of *IV*, the prime movers in this process have been, firstly, the leadership of the country's largest republic, Serbia, which has reacted viciously to attempts by ethnic Albanians, other non-Serbs and democratic forces in Serbia itself to gain greater respect for their rights; and secondly the (Serb-dominated) federal army, anxious to defend the existing form of union, in which it enjoys a privileged position.

The Slovenian government is made up of a coalition of right and centre parties known as Demos. The directly elected president is Milan Kucan of the Party of Democratic Renewal (the former Communist Party). A referendum on independence in December last year produced a 93% vote in favour, on an 88% turnout. However, Slovene leaders left the door open to the idea of rejoining a transformed Yugoslav confederation, insisting that the final outcome depended on events elsewhere.

Before June 26, US Secretary of State James Baker informed Kucan that neither the US nor the European Community would recognize an independent Slovenia. This would, in the eyes of the West's leaders, "send the wrong signals" to the Baltic States, Georgia and Slovakia, and jeopardize the sacrosanctity of existing state unities. Following the clashes in Slovenia — which may well be followed by much worse, both there and in Croatia — the Western leaders will be making noises of sympathy with the breakaway republics, while attempting to get them to back off from the exercise of their self-determination. The new "Conflict Prevention Centre" in Vienna will get its first chance to show if the West can control events in Eastern Europe.

Thus, support for the right of Slovenia and Croatia to self-determination needs to be coupled with vigilance over moves by the Western powers to use the crisis to assert their "right to interfere" in Eastern Europe. — **Colin Meade** ★

The decade of the debt

ON July 15-17, 1991, the leaders of the world's seven richest nations (the "G7" nations) will hold a summit meeting in London. As has happened each year since 1989, an international demonstration to demand the unconditional cancellation of the Third World debt has been called to coincide with the meeting — this will take place in London on July 13.

PAUL VERBRAEKEN

HOW BIG is the outstanding debt of the Third World? Different sources give widely differing figures, but a reasonable guesstimate of the global debt stock at the end of 1989 would be around \$1,100 billion. This represents a considerable increase in comparison with the start of the decade; in 1980 the total debt amounted to "only" \$485 billion.¹ Over these ten years there was a considerable change in the make up of the claims. The share of the commercial banks declined from 47% to 37% and that of the official creditors rose from 37% to 47%, the share of the other private creditors remaining stable at 16%. This gives a first clue to the nature of the development of the debt crisis; especially after the beginning of the debt crisis in August 1982, the commercial banks have tried to limit their exposure. Although the percentage of their claims has diminished considerably, it goes without saying that, in absolute numbers, their exposure is much larger now than it was in 1980.

The geographical distribution of the debt is as follows:

South and Central America	42%
East Asia and the Pacific	21%
Sub Saharan Africa	15%
Middle East/North Africa	12%
South Asia	10%

There is a big difference between these regions as to the nature of the creditors. No less than 70% of the claims on South and Central America are in the hands of private creditors, compared to only 30% in the case of Sub-Saharan Africa. This

difference is due the fact that the commercial banks have always concentrated on those countries they expect to expand rapidly in the sense of inserting themselves in the capitalist world market. This becomes obvious when we examine the facts a little more closely. Zaire, a country on the edge of bankruptcy for over 10 years, owes no more than 11% of its global debt to the banks, whereas Nigeria, the big oil producer of Sub Saharan Africa, owes 52% of its debt to the commercial banks.

The capitalist economy runs on credit

The phenomenal expansion of credit is one of the most striking features of international capitalist development after the second world war.

From 1964 until 1987 net international bank loans rose 11 times faster than world trade, 20 times faster than worldwide fixed capital formation and 21 times faster than the global gross national product.²

At the end of last year the total amount of outstanding debt of central and local government, households and nonfinancial business in the USA reached the staggering figure of \$10,580 billion (194% of GNP) and almost ten times as much as the global Third World debt!³

We are confronted with a painful paradox; to many Third World countries, servicing their debt means an unbearable burden on their potential for economic and social development whilst at the same time the volume of their debt represents only a marginal fraction of the global credit expansion.

At the end of 1989 the claims of the commercial banks on the international capital market reached \$2,640 billion (exclusively bank loans). The claims on the Third World amounted to \$488.6 billion, only 18.5% of the total claims.⁴

1. These amounts were calculated using data from the World Debt Tables 1990-91, Volume 1. We subtracted the total debt of "Europe and the Mediterranean" from the global debt and added the estimated debt of the non-reporting countries. The collection and processing of the data is not always easy. For an introduction to the problem, see Bevan B. Stein, "Le parcours du compilateur des statistiques de la dette extérieure" in *l'Observateur de l'OCDE*, no. 157, April-May 1989, pp. 20-22, and Mark J. Ellyne and Hans Flinch, "Problèmes de chiffrage de la dette extérieure" in *Finances & Développement*, March 1990, pp. 14-16.

2. UNCTAD, Trade and Development Report, 1990, table 28, p. 110.

3. Data on the debt: Flow of Funds Account, First Quarter 1991, Board of Governors of the Federal Reserve System, Washington. For the GNP figure: *Survey of Current Business*, vol. 71, no. 4, April 1991.

Only a very small part of the assets of the commercial banks consists of claims on the Third World; in the United States this is the case for no more than 3.6% of the loan portfolio of the commercial banks.⁵

In passing, we should note that, against those claims, the deposits of Third World countries in the commercial banks of the highly developed capitalist countries amounted to \$446.1 billion. If you add to this figure the real estate, securities, gold and other valuable objects in the hands of the ruling classes of the Third World, you undoubtedly obtain a mass of wealth much larger than their countries's debt to the banks. This is the second important clue in the analysis of the debt crisis; the objective and subjective coalition between the international financial establishment in the West and the rich in the Third World; in this respect the cases of Marcos, Duvalier, Mobutu et al only constitute the tip of the iceberg.

The debt crisis

The unbridled capital flow that started at the beginning of the 1970s gave rise to a debt problem that was suddenly transformed into a *debt crisis* from which most of the Third World countries have never recovered.

First of all, we should note that, contrary to an often heard "theory", there is no connection between the *start* of this credit explosion and the "oil shock" of 1973-74. This was confirmed by the late Otmar Emminger, former president of the Deutsch Bundesbank: "... Attention should be drawn to a number of facts that should serve to correct certain widely held historical misconceptions and errors. One of these, for example, is the assertion often made by leading representatives of the banking system that the excessive credit expansion in the Third World was more or less forced on the banks by the need for the OPEC countries' massive surpluses to be recycled to deficit countries; they claim that governments and central banks even encouraged or pressurized them to recycle the funds. In reality, the runaway momentum of international bank lending before 1982 had quite different causes".⁶

Secondly, another misconception should be corrected; until the beginning of the 1980s the impact of debt servicing on the economies of the Third World countries remained quite stable. It was only from 1980 onwards that the situa-

tion changed dramatically (see Table 1).

The main reason for this crisis was the sudden introduction, in the last quarter of 1979, of a radical deflationary policy by the US Federal Reserve Board, followed by most Western monetary authorities, resulting in a severe international recession in the period 1980-82. This reversal of economic policy by the international bourgeoisie had enormous consequences.

The rise in interest rates led to a rapid and considerable increase in the cost of financing the debt; the average nominal interest rates on the medium and long term debt rose from 12.3% in 1979 to 17.4% in 1981. The real interest rates rose from a yearly average of 0.7% during the period 1973-80 to 6.7% during the period 1980-85.

Third World exports, which increased by 25% in each of the years 1979 and 1980, increased by only 2.5% in 1981 and diminished by 4% in 1982. This collapse was mainly due to heavy falls in the unit export price. The average price of the commodities exported from the Third World diminished by no less than 28% in the course of two years (1981-82) and by the end of 1982 it had dropped almost 39% below the 1974 peak.⁷

Second oil shock

It is true that the second oil shock played a part in the deterioration of the economic situation in the oil-importing Third World countries. But we should be aware of the fact that this increase in the oil price was merely a reaction to the strong inflation and the ongoing devaluation of the dollar during the 1973-80 period, two developments which lowered the real price of oil. So, in the last analysis, this adverse factor has to be explained by the economic and financial policies pursued in the highly developed capitalist countries.

This is the third clue in the analysis; the emergence of the debt crisis in the Third World countries did not flow from the economic policies they pursued; the crisis originated in the policies adopted by the bourgeoisie of the highly developed countries to find a way out of *their* economic contradictions. Moreover, a careful analysis of the "capital flight problem" in the Third World, shows that it is a *consequence* rather than a *cause* of this crisis.

This has nothing to do with naive "third worldism"; in many Third World

countries, the mismanagement of the economy by the ruling classes, their enrichment on the backs of the working people and the unemployed, their contempt for the "ordinary" man and woman, the all-encompassing corruption and clientelism, the growing criminalization of society cannot be overlooked because they are so obvious. But we should be aware that the Third World *as a whole* (and I know that there are problems in defining this concept) occupies a *marginal position* in international economic and financial relations. It seems to me that the problem is not so much exploitation of the Third World by the highly developed capitalist countries through their industrial and financial multinationals as one of progressive marginalization.⁸

The handling of the crisis

When the crisis emerged in its full dimensions in August 1982, the international bourgeoisie reacted immediately to prevent a melt down of the global financial system, and it has continued to do so in the ensuing years. This is done pragmatically, but on the basis of a few firmly established principles — helping the banks to save their necks, and preventing the emergence of a coalition of Third World countries in the negotiations (the "case by case" approach). The policies can be summarized as follows:

- The foreign debt was rescheduled on a very large scale. Repayments were continuously postponed, the only thing that was insisted on being regular payment of the interest on the debt in order to sustain the liquidity of the creditor banks. The scope of these rescheduling operations shows the seriousness of the crisis; whereas during the period 1978-81 the amount of the rescheduled debt was only \$1.5 billion, this increased to \$198.4 billion for the period 1982-85 and to \$308.5 billion for the period 1986-May 1989.

- Simultaneously the "voluntary" credit flow from the commercial banks dried up. The great majority of new loans were made in the framework of the rescheduling operations. The total net credits from the commercial banks to the non-OPEC

4. Calculated on the basis of figures in Bank for International Settlements, 60th Annual Report, June 1990, pp. 124 and 132.

5. Ibid, p. 117.

6. Otmar Emminger: "The International Debt Crisis and the Banks", in *Interconomics*, May/June 1985, p. 107.

7. M. Feldstein, H. de Camoy, K. Narusawa & P. Krugman: "Restoring Growth in the Debt-laden Third World, A Task Force Report to the Trilateral Commission", New York-Tokyo-Paris, 1987, Appendix, p. 75.

8. Some figures to illustrate my point: in 1989 the global GNP of the Third World stood at \$2,415 billion for a population of approximately 4 billion people; the GNP of the US (with a population of 250 million) was \$5,234 billion, almost twice as much. The defence budget of the US was double the amount of the GNP of Sub Sahara Africa. The share of the Third World in world trade stands at around 24%, but if you subtract the share of the OPEC countries and the 4 Asian "little dragons", plus Thailand and Malaysia, the share goes down to only 8%.

Table 1

Debt-export ratios (%)

	1973	1980	1981	1982	1983
Non-oil LDCs	115.4	112.9	124.9	143.3	152.8
Western Hemisphere	176.2	178.4	207.9	273.1	290.4

Source: Jeffrey Sachs (ed), Developing Country Debt and the World Economy, Chicago & London, 1989, Table 1.3, p.7

Table 2**Net credits of commercial banks to Third World (in \$bn)**

1980 30.8	1985 4.7
1981 44.0	1986 2.4
1982 30.9	1987 -1.1
1983 19.8	1988 0.7
1984 19.8	1989 3.0

Source: World Debt Tables 1990-91, Vol 1, Table 3, p. 16

Third World countries evolved as shown in Table 2.

● The IMF played the role of unavoidable watch dog and supplier of the famous, or rather infamous, short-term (and short-sighted) "adjustment programmes". Presuming the broad outline of the IMF policies to be known, I shall not elaborate on this subject.

The whole operation has added up to a gigantic sting. In 1983 the net transfers went into reversal; between 1983 and 1989 something in the order of \$170 billion found their way from the Third World to the highly developed capitalist countries (commercial banks, governments, IMF, World Bank, regional development banks). But this bloodletting did not mean that the outstanding debt declined, on the contrary. Between 1983 and 1989 the global debt increased from \$711 billion to \$1,117 billion.

You could compare this to the predicament of someone who buys a house, contracts a loan for \$100,000 to finance the purchase, pays an interest which is so high that s/he cannot keep the house in a decent state and finds out 6 years later that his/her debt to the bank has gone up to \$155,000.

A new approach

It goes without saying the this development could not go on forever. The arrears gradually increased and in 1989 reached a total of \$79 billion.⁹

But it was not until 1988 that the principle of debt reduction was "officially" recognized concerning the debt owed to official creditors (the so-called Toronto Terms), and until 1989 for the debt owed to the commercial banks (the Brady Plan). Both schemes offer a very partial reduction for a limited number of countries. The first one only applies to the poorest countries with serious debt servicing problems and offers a number of options to the creditor countries, among which a reduction of 1/3 of eligible maturities.

Up to now the results have not been spectacular, to say the least: "Between October 1988 and September 1990, 19 countries rescheduled on Toronto

terms...The estimated cash flow savings of the 19 countries totalled about US\$ 100 million, about 1% of their 1989 exports and 1.5% of scheduled debt service."¹⁰

The Brady plan was announced on March 10, 1989 and first implemented in the case of Mexico. This is no coincidence; the results of the presidential elections in the autumn of 1988 showed that the cracks in the political system were beginning to widen dangerously in a country which is of vital strategic importance to US capitalism. Therefore it was extremely important to take some action, as was admitted at the conference sponsored by the Bretton Woods Committee and the Brookings Institution, at which Brady announced the outline of his plan: "The Carlos Salinas de Gortari administration in Mexico, which has gone furthest in restructuring economic policy, clearly needs additional external help to continue its reform program in the face of a tenuous internal political position."¹¹

In the field of debt reduction this "additional external help" is rather limited. The banks had a choice between three options: exchanging loans for dollar-dominated bonds at market interest rates at a 35% discount, exchanging loans for dollar-dominated bonds at a fixed interest rate of 6.25% or providing new money at market interest rates. The dollar-dominated bonds are backed by US government bonds and *are explicitly excluded from any future new money agreements.*

The net result of the whole operation is an increase of external debt by \$5.1 billion and a yearly reduction of interest payments of \$700 million (in 1989 total interest payments on the Mexican debt amounted to \$9.3 billion). Note that part of the reduced debt to the commercial banks is transferred to the public domain in the form of loans from the IMF and the World Bank to help finance the US government bonds, and that the structure of the debt has become more rigid because neither the dollar-dominated bonds nor the loans by the IMF and the World Bank can be rescheduled.

Until now, similar operations have been concluded for the Philippines, Costa Rica, Venezuela, Uruguay and Morocco but it is obvious that the Brady Plan has run out of steam. At the recent International Monetary Conference held in Osaka from June 2 to 5 and attended by the heads of the world's largest banks, the president of the Banque de France and former chief of the IMF, Jacques de Larosière, declared that there should be a pause in the debt reductions.¹² It is not certain that president Mitterand will fully appreciate this point of view because he recently tried, and

failed, to reach an agreement with his G-7 colleagues to enlarge the 50% debt reductions granted to Poland and Egypt and to a number of African countries within the sphere of influence of French capitalism.

The only initiative we can expect is the probable announcement at the G-7 summit in London of an extension of the Toronto Terms; a reduction by 2/3 of the debt stock of the poorest countries. Meanwhile, we are witnessing an intensification of the offensive, led by the United States government, to deepen and accelerate the process of privatization, liberalization and deregulation in the Third World.

Debt: a political weapon

The most recent move in this offensive is the intense pressure put on the World Bank to provide loans to the private sector in Third World countries. If you want to understand how the debt burden is used as a weapon, you have only to read *Fortune*: "The hundreds of billions that developing countries borrowed in the 1970s and the early 1980s financed all sorts of extravagant and profitless projects, from Amazon highways that go nowhere to highly automated steel mills in Africa. Now the Third World is discovering how market economies use capital to create new wealth. Once a country starts acting accordingly, lightening its debt may be not only appropriate but also essential for future growth. And the promise of forgiveness is a powerful incentive for nations hesitant to take the reform plunge"¹³.

Become a full-blooded capitalist and you will be forgiven.... ★



9. World Debt Tables 1990-91, vol. 1, Table 7, p. 22.

10. *Ibid.*, p. 26.

11. Edward E. Fries and Philip H. Trezise (eds), "Third World Debt; the Next Phase", Washington DC, 1989.

12. *Le Monde*, June 8, 1991. See also *Financial Times*, June 5, 1991.

13. Brian O'Reilly, "Cooling Down the World Debt Bomb", in *Fortune*, May 20, 1991, p. 79.

The new clothes of Boris Yeltsin

IT WAS hardly surprising that Boris Yeltsin, former CPSU boss in Sverdlovsk and Moscow, turned champion of the liberal democrats, managed to get his crown, gaining about 58% of the votes (on a turnout of 70%) in the first ever presidential elections in Russia, held on June 12. The post was tailored by the Russian People's Congress to suit Yeltsin's needs in pushing for wide-reaching liberal reforms of Soviet society, and the competition from five other candidates was so weak that his victory was never in doubt.

POUL-FUNDER LARSEN

THE former prime minister, Nikolai Ryzhkov, supported by the Russian Communist Party and the military-industrial complex, was not really a serious opponent given his record of total failure as head of government and his links to the party apparatus, despised by the majority of the people.

Several other candidates ran: Vadim Bakatin, an unprolific Gorbachevite; Vladimir Schirinovsky, the populist leader of the insignificant Liberal Party; Aman Tulejev, head of the Kemerovo (Kusbas) district soviet, trying to play the card of regional self-determination from a liberal angle; and the sinister figure of Albert Makaschov, commander of the Volga-Urals military district, playing on anti-semitism and law and order — but none of them stood a chance.

Given the competition there was no need for Yeltsin to overstrain himself in the election campaign, which was characterized by a restrained tone and an absence of real mass mobilizations. Yeltsin highlighted the conciliatory line of his campaign by appointing as his vice-presidential candidate Alexander Rutskoy, Soviet army colonel and leader of the moderate Communists for Democracy faction of the CPSU in the Russian parliament.

Once again Yeltsin played with some success the role of a national rallying point: in a gesture designed to cater for national and religious sentiment he promised to restore the property rights of the Orthodox church, while several regions of Russia were promised special advantages (for example, Leningrad becoming an "economic free zone").

6 This assured support from nearly all liberal and social democratic currents, with

the Democratic Russia movement, the Russian Democratic Party, the Republican Party, and the Russian Social Democratic Party all endorsing his candidacy.

In the end the moderate approach was enough to sweep Yeltsin, as well his lieutenants in Moscow and Leningrad, Gavril Popov and Anatoly Sobchak, into power. The result shows that Yeltsin still retains his status as the symbol of change and opposition to the old order, although his support is probably declining. It also demonstrated the political paralysis of the CPSU, which was only able to come up with candidates such as Nikolai Ryzhkov for president and Valery Zaikin for Mayor of Moscow.

Meanwhile, the left wing had great difficulties breaking into the race, due to its numerical and political weakness, and the very rigid rules for the nomination of candidates for the election — for example, a candidate for the presidential elections had to be supported by 100,000 signatures.

Yeltsin enforces undemocratic rules

While there was no attempt to put forward a left wing presidential candidate, the left in Moscow managed to collect enough signatures for the candidacy of the people's deputy, Tatyana Korzhagina, as mayor, running together with the Socialist Party's Alexander Popov. Only undemocratic rules, enforced by Yeltsin as head of the Russian Supreme Soviet, hindered Korzhagina's candidacy.

The comparatively quiet elections followed renewed attempts to establish a consensus among the main factions of

the bureaucracy — a process which gained momentum after the publication of the agreement between the centre and the nine republics on April 23 (the "document of the ten"). This document envisages a quick drawing up of a new Union Treaty followed by a new constitution and elections for the all-Union Supreme Soviet and Presidency. The agreement for the first time *de facto* acknowledges the right of republics to break away from the Union, but this is followed by a veiled threat of economic blockade: "The top leaders of the Union republics taking part in the meeting, while recognizing the right of Latvia, Lithuania, Estonia, Moldavia, Georgia and Armenia to independently decide on the question of accession to the Union Treaty, at the same time consider it necessary to establish the most favoured nation treatment for republics signing the Union Treaty, within the framework of a single economic space formed by them."¹

Special work regime in basic industry

At the same time, the agreement contains a series of measures intended to strengthen central control and end the wave of strikes unleashed by the miners' struggle: "Participants in the meeting spoke out in favour of introducing a special regime of work in basic branches of industry, at enterprises which manufacture consumer goods and on railway transport", and "the leaders of the union and republics regard as intolerable any attempts to attain political ends through incitement to civil disobedience, strikes or calls for the overthrow of the existing legally elected state power bodies."² This was concretized in a presidential *ukaz* from Gorbachev on May 16, decreeing a ban on strikes in the key sections of industry for the rest of the year.

Following the agreement, rumours of "secret protocols" were proliferating. These should include major concessions to the republics, such as that republican laws would take priority over union laws in most fields, and that the republics would be the motor force in the transition to a market economy with the centre acting as a mere regulator.³

In any case, the agreement aroused considerable anger among supporters of Yeltsin, first of all inside the workers' movement, where many felt betrayed by the attempt to end the strikes from above.

After the tenth of May, all the striking miners returned to work, but with the threat of resuming action if their demands are not fulfilled by mid-July. The agreement was also criticized by the ultra-liberals within Democratic Russia

1. *Pravda*, April 24, 1991.

2. *Ibid.*

3. See, for example, *Kommersant*, April 22, 1991.



ments does not exceed two billion roubles, which is little more than 1% of total investment in the economy. Meanwhile, all granting of commercial loans from the West has ceased and the much-talked-about European Bank for Restructuring and Development has turned out a disappointment for impatient marketeers: during the next three years, projects within the Soviet Union (primarily in the private sector) can only receive aid worth \$225m. Instead the bank will concentrate its efforts on Eastern Europe, where the conditions for a pro-capitalist market reform are more "mature".

However, the proponents of market reform are trying to mobilize much more substantial support from imperi-

alism, which is deemed essential to get the anti-crisis programme off the ground. The government of Valentin Pavlov has agreed that firms operating in the Soviet Union can be owned wholly by foreigners and repatriate their profits. The next step, according to government spokesmen, is internal convertibility of the rouble by January 1992, with the aim of making it fully convertible after two years.

A major offensive in the diplomatic field was launched in late May spearheaded by the pro-Yeltsin economist Grigory Yavlinsky (co-author of the 500-day plan) and Yevgeny Primakov, member of Gorbachev's security council. They published an "Appeal for the Group of Seven", which calls for large scale economic support for the Soviet Union in exchange for a programme of liberal reform supervised by the G7 countries. The injection of capital envisaged by the Soviet side amounts to at least \$150bn in credits and investment over the next five years.⁶

This programme could force a series of concessions from the bureaucracy and act as a major instrument for furthering capitalist development in the Soviet Union, but the reaction on the part of the imperialist centres has, even so, been hesitant.

One reason is the sheer size of the sum, but the question of control is just as important: the big imperialist powers want a strong, pro-capitalist force at the

who see it as a sell-out to Gorbachev: "It is not only a compromise between the party bureaucracy and the democrats, not only a compromise between two leaders. By all accounts, it is a mutual agreement on carrying out a certain reform variant, that is an agreement on a Communist variant of reforming society. What does this imply in our circumstances? It implies the Pavlov reform in the economic sphere (a partial privatization of the industries working for the consumer market with the government retaining the "commanding heights" in heavy industry) and the contracting of a union treaty among the republics where the Communists are in power."⁴

This "document of the ten" is tightly bound up with the process of working out an anti-crisis programme, which can unite the two main currents of the bureaucracy. The draft of a liberal economic programme, replacing a new five-year plan, announced at the beginning of April (see IV 205), was presented to the Supreme Soviet on April 24. It was criticized by the Yeltsinites, re-worked to conform to the demands of the republics and launched in mid-May with the approval of all republics minus Georgia.

A cornerstone of the programme is massive privatizations, in the first place within trade, services and light industry, followed by the transformation of large enterprises into joint stock companies. It implies a radical restructuring of the whole system of economic regulation of society.

The number of ministries and state committees is to be cut down to 47, and three of the main pillars of the system of bureaucratic planning — the state committees for planning, material-technical deliveries and prices (Gosplan, Gossnab, Goskomtsen) — are being abolished. Some of the functions of these commit-

tees will now be performed by a new Ministry of Economy and Economic Forecasting, headed by Vladimir Schcherbakov, a "modernist" apparatchik of the generation of liberal economists like Grigori Yavlinsky and Nikolai Petrakov. On his departure for the USA to discuss Western support for the anti-crisis programme, Shcherbakov painted a gloomy picture of the state of the Soviet economy: "During the last four months the national income has dropped by 10%.

Sharp falls in industrial production

"Production in the basic branches of industry (oil, gas, coal, metallurgy) has dropped by 5 to 10%. Agricultural production is down 12%, and the production of consumer goods has fallen by 7%. The situation inside light industry is disastrous. At the same time the money income of the population has grown by 12-20%, spurring inflation. If we do not intervene in a firm manner the national income will be down 22% and the number of unemployed reach 20 million by the end of the year."⁵ This of course was an overture to a bid for massive Western "aid" which is increasingly seen by the main currents of the bureaucracy as the only possible option for implementing a radical market reform.

But so far the interest of private Western investors has been limited, with the credits by governments and supranational bodies of the imperialist world being far below what liberals are hoping for. By the turn of the year, approximately 3,000 joint ventures had been registered in the USSR, but of these only 400 were actually functioning and 60% of the capital inside these firms is in Soviet hands.

The total amount of foreign invest-

4. Igor Klyamkin, editor of the weekly, *Demokratische Rossiya*, May 17, 1991.

5. *IAN*, May 26, 1991.

6. Although this sum has been called the "grand bargain" it is in fact nowhere near enough to finance the huge cost of a deepgoing economic transformation of Soviet society. According to *The Guardian* of June 4, 1991, an updating of the USSR's telecom network could in itself cost as much as \$163bn over the next ten years.

heart of Soviet society, and in the present power vacuum neither Gorbachev nor Yeltsin can play such a role.

So far some bilateral deals have been struck with the major imperialist powers, for example the recent agreement on one and a half billion dollars in credits for agricultural products from the USA. Further agreements could be concluded at the forthcoming G7 summit for political reasons, in return for further Soviet concessions in the international arena, such as big cuts in defence spending and a reduction in aid to Cuba, but the "grand bargain" is likely to vanish into thin air.

However, the question remains whether the political alliance between Yeltsin and Gorbachev can survive even the first phases of the implementation of an anti-crisis programme. A confrontation between the central apparatus and the Yeltsin wing of the bureaucracy is likely for example around the question of tax policy, where the Yeltsinites insist that only the republics should have the right to collect taxes.

In fact, the economic war between the centre and the republics continues, with many enterprises following the miners and switching to the jurisdiction of the Russian republic, while the centre retains some control through, in particular, the defence industry. As one sceptical journalist put it, in a question to Yeltsin: "Seventy percent of the Russian industrial potential are enterprises with importance for defence. Is it, in your opinion, possible to build a fully-fledged market with the remaining thirty percent?"⁷

Yeltsin has to manoeuvre very cautiously because of the divisions and contradictions in the alliance behind him. His honeymoon with the workers following the miners' strike could be very short-lived if he fails to deliver what he promised, and the same goes for relations with the many minority nationalities within the Russian Federation, knowing that he could play the card of Russian chauvinism.

Spontaneous riots by consumers

But the main obstacle to all these grand plans is the potential reaction and combativity of the working class and the population in general. The standard of living is constantly deteriorating, and social tensions running extremely high. Spontaneous riots of consumers, and local strikes putting forward economic and social demands have continued to erupt after the end of the miners' strike.⁸

The main source of discontent are the price rises enforced at the beginning of April, which have not improved the supply of goods, but have considerably reduced living standards. After April 2, the standard of living of workers and white collar employees dropped by an average of 24% compared to 1989, in

spite of the government's compensation payments.

In 1990, the state committees for labour and statistics (Goskomtrud and Goskomstat) fixed the subsistence level at 97 roubles a month — after the price rises this jumped to 207 roubles. But even when compensations are counted, women on maternity leave now get 80-110 roubles, students 120-130 roubles and pensioners on the lowest rate 135 roubles a month.⁹ In reality, the picture looks even bleaker, because many goods and services may only be obtained through the black market or at "negotiated" (free) prices.

For the first time in decades the people of the Soviet Union are experiencing widespread poverty, while the question of generalized unemployment is being freely discussed in the media. The liberals are well aware of the discontent among the masses and are calculating

how to counter this.

As the indiscreet and merciless Yavlinsky put it recently: "All reserves have been exhausted and the people's patience is at an end; a start can be made now by force and by shooting all the offenders, but that failed in the past and is unlikely to work now."¹⁰ So for now the use of dictatorship is deemed inexpedient — though that could change — while the liberals are hoping that the new clothes of Emperor Boris will suffice to keep them on the offensive in the coming months. ★

7. *Izvestiya*, May 23, 1991.

8. One telling incident took place in Chita in eastern Siberia at the end of April: hundreds of furious people spontaneously went out blocking the main street because there had been no milk in the shops for six months.

9. *Argumenty i Fakty*, nos 16 and 17, April 1991.

10. *Moskovskiy Novosti*, no. 20, May 1991.

Interview with Soviet anarchist

Direct action and left unity

THE tradition in pre-revolutionary Russia of different forms of revolutionary populism and anarchism, embodied in thinkers like Bakunin and Kropotkin, has experienced a renaissance in the Soviet Union since the mid-80s, with the appearance of a variety of anarchist and anarcho-syndicalist currents. The strongest of them is the Confederation of Anarcho-Syndicalists (KAZ), which has supporters in several dozen cities, was active in the creation of the workers' organization, the Confederation of Labour (KT) in May 1990 and also participated in the initiative around the open letter on "People's Self-Management".¹

I talked to Dmitri Kostyenko, a young left wing activist and former member of KAZ, on the recent history of the anarchist movement in the Soviet Union. The interview was conducted in Moscow in late May by Poul-Funder Larsen.

KAZ was founded in 1989, but could you briefly describe the development of the anarchist groups before that time?

Inside the Federation of Socialist Clubs, which was created in 1987 as one of the first expressions of organized political activity in opposition to the apparatus, there were some anarchist groups. At the time political differentiations were not very developed. Most of the currents (liberals, Socialists, anarchists and so on) came together in one

movement "in defence of *perestroika*."

There were various anarchist groups scattered across the country — in Leningrad, Kharkov in the Ukraine, Khabarovsk in the far east and so on. A journal called *Obshchina* ("Commune") was something of a rallying point for the anarchists. In its first phase it was distributed as classical samizdat, with people copying it by hand, later it became the journal of the KAZ. In May 1988, the first anarchist demonstration took place in Moscow, organized by *Obshchina*. In its initial phase the movement was —

and to an extent still is — dominated by students and people from various “alternative”, sub-cultural circles.

■ **Was KAZ founded on a precise political platform, or was it perceived as a loose conglomeration of currents based in anarchism?**

You can say that KAZ, after its founding congress on May 1, 1989, tended to monopolize anarchism in the Soviet Union. A short statement of principles was adopted, but in reality there were many different currents within the framework of the new organization — anarcho-individualists, anarcho-communists and even anarcho-capitalists.

I was active in the Moscow branch of KAZ, which maintained an independent profile. We organized a protest in front of the Chinese Embassy after the June 1989 massacre. We also took part in the setting up of a meeting on the Novocherkassk incidents with the veteran revolutionary Piotr Siuda. Before the elections to the regional and republican soviets in March 1990 we supported some of the democratic demonstrations. In some places the local organizations went a step further, running candidates on the “Democratic Russia” slates.

The second KAZ congress in March 1990 marked a step towards the clarification of its programme. Here anarcho-syndicalism was adopted as the basic framework. Following that, some groups — from Leningrad, Saratov and Kazan — broke with KAZ and a part of them decided to form a new organization. Consequently, in the summer of 1990, at an ecological protest camp at Balakovo on the Volga, the Association of Anarchist Movements (ADA) was founded on a non-syndicalist basis. The split between KAZ and ADA was not really a split between right and left, because there were groups within both camps that maintained rightist positions.

Meanwhile, the left wing of the anarchists, the anarcho-communist current, went through a serious crisis. This current was strong in Moscow, Leningrad and also in the industrial centre of Dnepropetrovsk in the Donbass, but it was seriously weakened by splits. Some of its leaders in Moscow broke away and joined the radical bourgeois party, the Democratic Union, while some of its leaders in Leningrad went over to Trotskyist positions.

■ **What does the syndicalist position of KAZ mean in practice? It seems quite reasonable to have a clear orientation towards the workers' movement.**

Within KAZ it resulted in a kind of witch-hunt initiated by some of the right-wingers, against what they termed the “anarcho-hippies”. At the same time it meant that the organization gave strong support to the Confederation of Labour

(KT) which was founded in May 1990. Different groups participated in this, but as a whole, the KT is not a left organization — it basically supports a market economy and has a liberal outlook. In the summer of 1990, KAZ set up an information agency on the workers' movement, called KAZKOR, which issues a regular bulletin. This bulletin was soon transformed into an organ for the KT. Some of the leaders of KAZ are now on the council of KT. But there are few real activities going on in this framework.

The orientation towards the KT is perhaps some kind of last resort, because during the summer of 1990 there was an attempt by KAZ to set up their own trade union, “Resistance”. However, this initiative ran into the same problems as the other attempts to create new, independent trade unions. The membership was small, scattered across many trades and dominated by intellectuals. So in the end it failed.

■ **The anarchist groups are better at attracting young activists than most other parts of the Soviet left. Can you profile some of these groups?**

In Moscow KAZ is the strongest force, but there are six other groups. One example is the group Autonomous Youth, which came into being in the autumn of last year, based on radical anarchism and the idea of direct action. They were in particular engaged in anti-militarist activities, picketing military installations, and also carrying out an action at the Ministry of Defence. However, they have more or less vanished in the last few months.

Another instance is the Union of Anarchists, which is a part of the ADA. They pursue a very sectarian line and are strongly opposed to KAZ. Politically, they are not far from the Democratic Union and have adopted some of the methods of this organization. They jump out in some square or street shouting “Gorbachev is a fascist” — then in five minutes the militia arrive and take them away, and that is the end of it.

A third group are the so-called Socialist Populists (Socialistov Narodnikov) who see themselves as the heirs of the pre-1917 Social Revolutionary Party. This group contains very diverse currents from ultra-rightists to anarcho-populists. They are united by some kind of idea of a Christian commune as the basis of society.

The group I am working in — the Initiative of Revolutionary Anarchists — has carried out some protests against the price rises, and we are also organizing discussions and education on topics such as the left in the West.

■ **How do you view the development of KAZ?**

The third congress of KAZ in November 1990 was attended by groups from 28 cities; only half of the local organizations. A major discussion at the congress was the question of the relationship between the KAZ and the Democratic Russia movement, which is led by supporters of Boris Yeltsin. Some of the deputies from KAZ who have been elected to local soviets, often on Democratic Russia slates, have been sliding towards liberalism. At the congress a resolution supporting the Open Letter on People's Self-Management and rejecting Democratic Russia was unable to win a majority.

I took part in the fourth KAZ congress which took place in Samara at the beginning of May 1991². This organization is clearly in crisis, since only 40 delegates from groups in 12 cities were present. KAZ is still defending the collective ownership of the economy and putting forward a perspective of a self-managed society — therefore they are critical of the various privatization schemes, which will only benefit the nomenklatura and the mafia. They advocate a democracy based on soviets, not a parliamentary one, but they have a concept of free competition among the collectively owned enterprises which we do not agree with. Instead we support a system of planning from below.

■ **How do you see the process of uniting the left? Do you give unity among the anarchists precedence over unity on the left as a whole?**

I support the creation of a broad left recomposition uniting all non-Stalinist currents. We have two common enemies: the old nomenklatura and the new pro-bourgeois tendencies.

In that struggle I think that there are some real possibilities for us, because one party, the CPSU, has led the country into crisis and the other, the so-called Democrats, are stirring up strong social contradictions. In this process it is very important to stay clear of the “patriotic” tendencies like the United Front of Toilers (UFT) in order to create a genuine left alternative.

We want a common front of left organizations, but right now the main problem is the weakness of all socialist groups. To start overcoming that we have to link up with the movements.

Therefore we are, for example, very active in preparing a camp this summer against an atomic power station and other types of polluting industry at Zaporozhe in the Ukraine. ★

1. For information on the Confederation of Labour, see *International Viewpoint*, no. 187, June 18, 1990. The “Open Letter on People's Self-Management” appeared in *IV* no. 194, November 12, 1990.

2. Until recently Samara, a major industrial centre on the Volga, was called Kuibishev, after Stalin's chairman of the Supreme Council on National Economy.

Chinese bureaucracy on the defensive

THE second anniversary of the massacre in Beijing's Tiananmen Square passed with little incident. The regime seems to have the situation under control. Here and there, there were demonstrations on university campuses by students wanting to show that they had not forgotten and continued to reject the regime. On the other hand, the atmosphere in Beijing is lighter than a year ago, as is the military presence. Meanwhile the organized opposition is for the most part to be found in exile in France and the USA. Nonetheless there are many signs that the victors in the clash of Spring 1989 are in fact on the defensive.

ROLAND LEW

TWO years after the Tiananmen repression, all the ills that afflict the country remain unresolved. The same forces continue their silent struggle; conservatives versus liberals. The conservatives have not won a definitive victory, while the liberals' defeat was not an absolute one; they are beginning to regain ground and speak out. Overall, however, the political situation is blocked by the presence of the old men who remain in the background while keeping a grip on real power.

Since autumn 1990, there have been increasing signs that the team around prime minister Li Peng is feeling under pressure. They have been unable to gain an ounce of legitimacy. They have several times tried to get the leading bodies of the Chinese Communist Party (CCP) to condemn the reform policies and the reformers responsible for the popular upsurge. But they have not succeeded: indeed, Li Peng has not even been able to get the support of Deng Xiaoping, who is well aware of the isolation of the cabal completely identified with the June 1989 massacre.

Reformers strengthen position

The reformers, meanwhile, are feeling stronger. They are able to take advantage of the lack of consensus among the old leaders who are no longer able to address the country's pressing problems. The first among equals of this group, Deng Xiaoping, continues to defend the economic reforms associated with his rule — a bonus for the reformers.

However, it is less the battles at the top that will ultimately matter than the irresistible pressure of social forces and eco-

nomie needs. And the social and economic world which is developing has nothing to do with the ossified apparatus that dominates the CCP.

The rise of the conservatives drew its strength from the growing difficulties encountered by the reforms. The austerity policy imposed in 1988 gave them control over economic decisions, and then the clash with the 1989 Democracy Movement gave them the opportunity to get rid of Zhao Ziyang, the reformist general secretary, and occupy the political centre stage. Now, the economic difficulties and social discontent resulting from their austerity programme are obliging them to throw out ballast.

While the austerity policy brought about a sharp fall in inflation in 1990, the danger of a resurgence remains real — inflation was 6% in the first quarter of this year in the big cities. Urban unemployment, which fell steeply in the 1980s to around 2% in the big cities, rose again in 1989 to an official figure of 3.5% (the real figure is probably much higher), holding out the danger of what the regime fears most; urban unrest.

Regime buys social peace

After 1989, the regime bought social peace by raising urban incomes — 9.5% in the first three quarters of 1990 — without paying too much attention to productivity.

On the other hand, those living in the countryside saw their purchasing power decline by 3.3% in 1989 and 4.4% in 1990. State industry stagnated in 1990, most growth — 3.9% in 1989 and 5% in 1990 — coming from rural industries. The weakness of the state sector is also the weakness of the conservatives, hence

their retreat.

In any case, the reforms have gone too far to be reversed or even halted for any length of time. From this point of view the 1989 repression was nothing more than a hiccup in the slow agony of the regime. Under the surface the bureaucratic apparatus is disintegrating, but is also reconstituting itself.

To emerge from the isolation which followed the repression and also to attract foreign capital, gestures have had to be made. The relatively light sentences handed out in recent trials of well-known opponents of the regime from the 1989 movement are without doubt one of these gestures. The new prominence of officials with reputations as reformists or at least pragmatists is also a sign of a need to reassure the outside world. One of them, Tian Jiyun, an associate of the ousted general secretary [Zhao Ziyang], has come back centre stage with responsibility for agriculture. His first act was to cancel an agricultural conference which was to discuss ways of relaunching some form of collectivization of rural life.

Capitalism is not yet on everyone's lips in China, but in fact it continues to make progress in forms both legal or illegal, undermining the logic of the state system. Even Shanghai, the bastion of the big state enterprises and for a long time untouched by the reforms, has started to dream of once again becoming the kind of international financial and commercial centre it was in the past. The force of economic facts is tending to become irresistible.

Absence of conviction in CCP

Faced with this, there is a total absence of ideological conviction among the CCP cadres. Of course, there is the issue of the survival of the regime and those in power at all levels. But "socialism" in whatever form exists only in the shape of ritual phrases, which nobody is meant to take seriously. The real debates are about continuity, social stability, the union of the country, various types of state control, the extent of the opening to the outside world, and which foreign model to copy.

Whole swathes of the CCP apparatus are preparing for, or are already engaged in, the process of socially recycling themselves. Different sectors of the apparatus favour different variants of capitalism (private or with more state involvement). The apparatus is gripped by conflicts of interest and social differentiation.

Much of this change is taking place at the provincial level. Indeed, the regime at the centre is meeting unbreakable resistance in dealing with the regional authorities, even if the first task of the recentralization policy after 1989 was to bring the provinces to heel, and restrict the significant degree of economic autonomy that some regions, above all along the coast, had won over the previous decade.

At the heart of the battle was the vexed question of the sharing out of tax revenues between the centre and the provinces. The outcome has been a wide variation of arrangements which are far more the result of the balance of forces than of any structured policy. Overall the provincial authorities have jealously and successfully preserved the powers and revenues that they have arrogated.

The dead end was particularly clear at the December 1990 Central Committee plenum, which was supposed to discuss the future options for the eighth five-year plan (1991-1995) and a ten-year plan. The formulas used in the draft texts are so vague that they can be interpreted either as a reform manifesto or a programme for the strengthening of central power and the planned economy.

The session of the National People's Assembly (the Chinese parliament) in March this year, whose responsibility it is in principle to finalize the options for the two plans, was similarly inconclusive. This lack of direction works to the advantage of the reformists.

Recently some reformist figures ousted in 1989, such as Hu Qili, formerly in charge of ideology, have regained their official positions, suggesting that the political wind is moving in their favour. There are analogies with the situation at the end of Mao's era: those who appear to have the power are weakening, undermined by attacks at all social levels, and notably by authorities at the local level. They are above all condemned by their lack of popular legitimacy.

Li Peng's gloomy economic picture

Li Peng's speech at this National People's Assembly session was hardly a triumphal celebration of economic success. He revealed that the budget deficit had reached the record level of 15bn yuan in 1990; in fact, it will be nearer to 50bn yuan. One third of the income has been devoted to writing off the debts of state enterprises, those very enterprises that were supposed to become the jewel of "revitalized socialism". This is hardly surprising seeing that the conservatives are in disarray.

A clear sign of the weakness of this apparently strong regime has been the recent borrowing by the government. Two years earlier, a forced loan was imposed on wage-earners in the form of direct subtraction from wage-packets, that is a wage cut. Such outright authoritarianism is inconceivable today. In order to give the lender an impression that they are getting



Political cartoon published in the Hongkong Standard

a good deal, the new loan carries an interest rate of 10%. The operation has been entrusted to a banking syndicate in charge of raising and investing the loan, since the government does not inspire the necessary confidence. The loan was successfully raised, which has meant a step forward in the reform of the banking system and thus of the reform in general.

Thus, whatever the manoeuvres at the top, everybody knows that nothing of substance can happen while the old leadership remains entrenched. The strength of such a regime lies mainly in the weakness of the opposition. Silenced for the most part in China itself, the activity takes place abroad, where much energy goes into power struggles in the small opposition associations or the settling of obscure scores. This is the typical fate of exile politicians but it has the effect of reducing the credibility of the only opposition that can openly state its case. In the country itself it seems that mass dissent has been overtaken by a retreat into private affairs. The working class continues to defend its interests and conquests remarkably effectively, but without any broader perspective.

A country increasingly out of control

The country is becoming increasingly out of control, as is shown by the millions of illegal immigrants in the cities, or the significant mobility in the countryside that contrasts with the supposed system of fixed residence of the Maoist era. Chinese society is changing and fragmenting, making it ever harder to govern, let alone regiment, which is now simply unthinka-

ble.

Today's China is something quite different from that of the rigid Maoist period. However this same fragmentation makes it equally difficult to develop an opposition project that can bring together significant forces.

Indeed it is not only the regime that fears social instability, the same concern is shared by many oppositionists.

It is hardly surprising therefore to find that really democratic aspirations are voiced as rarely among the opposition as among the officials.

Class organization just beginning

Forty years after the establishment of the "Communist" regime, the development of social self-consciousness, the conscious organization of classes and notably of the working class, have only just begun. This too makes it more difficult to foresee the quick emergence of a coherent and social rooted opposition.

This is the result of complex factors, and of the rather chaotic development of Chinese society in this century, or, to be more precise, the delays in the formation of a modern social structure, a delay accentuated by the policies of the "Communist" regime.

This latter, while devoting considerable effort to developing the country, has nonetheless denied and indeed blocked the evolution of modern social classes.

Faced with this absence, the future Chinese crisis may well be marked once more by authoritarianism and the denial of the freedom of action of social classes, whoever wins the coming struggle for power. ★

A marriage of convenience

THE UNIFICATION of the Arab Republic of North Yemen and the People's Democratic Republic of South Yemen, ratified on May 22, 1990 by the parliaments of the two countries, was, although discreet, an important event for the Middle East. This "soft" unification, unlike its German equivalent, was carried out with the agreement of the existing governments; that of President Ali Abdullah Saleh, leader of North Yemen since 1978, who became president of the unified state, and that of South Yemen, which laid claim to "scientific socialism". Sana'a, capital of the North, became the capital of the "new" Yemen.

LUIZA MARIA

DESPITE the two wars between the North and the South — in 1972 and 1979 — unity has always been on the order of the day for the two "enemy sister" republics. The current unification was set in motion by the signing, in May 1988, of an agreement on the common exploitation of the oil rich frontier zone of Marib (in the north) and Shabwa (in the south).

From a strictly historical point of view, this event suppressed an "artificial" frontier dating from British colonial times (see chronology). North Yemen is, with Saudi Arabia, the only Arab region never colonized by the Europeans; Ottoman domination there was only partial. Pre-capitalist tribal social structures have subsisted in the mountains to this day. British colonization in the South was restricted to the merchant port of Aden, leaving a great part of South Yemen in a state similar to that of the north, although formally subject to the British protectorate.

Civil war follows Nasserite coup

Until 1962, North Yemen was ruled by the Zaidite imams. In September 1962, a group of officers, influenced by Nasser's Egypt, put an end to the monarchy and established the Arab Republic of Yemen, continually threatened since then by elements faithful to the Imamate, who enjoy the support of Saudi Arabia. A five year civil war between the republicans, supported by the Egyptian army, and the royalists supported by the Saudi neighbour, ensued.

The social evolution of South Yemen was marked by the British colonization, which made Aden one of the greatest refineries in the world. The coming

together of Yemeni trade unionism, inspired by that of Britain, Arab nationalism, and the revolution in the North led, in 1963, to the creation of the National Liberation Front (NLF, which became, in October 1978, the Yemenite Socialist Party, YSP) in the South, which came to lead the popular anticolonial movement.

In 1964 guerilla warfare spread to Aden and scored several victories against the British, who were forced to withdraw in November 1967. The NLF suffered from internal rivalries, which persisted up until 1969, when the most radical forces, who described themselves as "Marxist-Leninist", triumphed, creating the People's Democratic Republic of Yemen in November 1970¹.

Radical measures implemented

The new regime nationalized industrial production (except for the Aden refinery), commercial distribution and immovable property. It implemented a radical agrarian reform. It guaranteed legal equality between the sexes — South Yemen adhered to the international convention on the elimination of all discriminatory measures based on sex — creating a unique situation in the Arab peninsula (11 women in Parliament and one on the Presidential committee). This transition towards "socialism" in a very poor country, largely illiterate, with tribal structures which were still very strong, ran up very quickly against enormous difficulties which obliged the regime to dilute its measures.

The Yemeni revolution attempted to break out of its isolation by supporting the guerilla movements in Dhofar (to the south of Oman), the National Democratic

Front (NDF, left opposition to the Sana'a regime) and Eritrea. Despite the support of Cuba, South Yemen was very isolated on a regional level; Arab nationalism proved bankrupt; the Palestinian resistance was massacred in Jordan; the left Baathists were defeated in Syria; the guerilla movement in Dhofar was crushed by the intervention of the Shah of Iran, and a US base was installed at Masira (an island off Oman). Meanwhile, North Yemen was totally strangled economically and politically by its powerful and reactionary neighbour, Saudi Arabia.

Until 1976, Soviet aid to South Yemen was very limited; the regime was considered as ultra-left by Moscow, which at that time was advocating the Egyptian model as the "non capitalist road to development". Only after the Soviet-Egyptian rupture in 1972 did the German Democratic Republic (GDR) begin to cooperate with South Yemen. Parallel to this, the bureaucratic characteristics of the regime were accentuated, starting in 1978, through the elimination of the most radical elements. The accent was put on a policy of peaceful coexistence in the region, and South Yemen ceased to support the revolutionary movements in the peninsula — and, in 1982, the opposition in the North.

Violent rivalries within bureaucracy

This new policy of the Yemeni leadership led to violent confrontations inside the bureaucratic apparatus in 1986, all the more bloody through being mixed up with clientelist factors and tribal rivalries.

The course of Gorbachev's *perestroika* led, in 1987, to the decline of Soviet military and economic aid in the name of the principle of "non-interference" and of encouraging "the self-sufficiency of the country"². The East Germans, principal instructors at the Institute of Scientific Socialism, and assistants in security matters, had put an end to their participation in the development of South Yemen well before the unification of the two Germanies.

The country was then on its last legs, partially destroyed by the armed confrontations of 1986 and seriously damaged (to the tune of \$750 million) by the floods of March-April 1989. Austerity measures were applied in exchange for international aid, leading to serious erosions of the standard of living of the people and new phenomena; begging, delinquency and passive resistance from the bureaucracy, which boycotted the government's directives and organized the smuggling of state-subsidized products towards North Yemen, thus augmenting the poverty. Completely exhausted, the country had to find new solutions.

The years 1988 and 1989 were marked by a series of measures liquidating progressively the gains of the revolution,

under the influence of Soviet *perestroika*.

From 1988 onwards, the frontier with the north was opened to trade to deal with popular discontent with the penury in the south. The agreement on the common exploitation of the oil zone of Marib and Shabwa envisaged — beyond the demilitarization of a zone of 2,200km² — the installation of a consortium of oil companies³.

In 1988, also, a series of democratic measures were taken, such as authorization for the return of 30,000 refugees abroad and the liberation of 35 political detainees. In 1989, a law was adopted by the Supreme Council of the People on the election of popular councils by secret ballot, while restrictions on movement abroad were lifted. Finally, the central committee of the Yemen Socialist Party (YSP), until then the single party, recognized multipartyism and called on all "national forces" to participate in political activity.

Gorbachev blesses unification

The disengagement of the Eastern bloc countries from South Yemen resulted in a forced improvement in relations with the North, leading, on May 22, 1991, to unification, with Gorbachev's blessing⁴. The "symbols" are disappearing: busts of Marx, Engels and Lenin and red stars are no longer found in the streets of Aden, which is, indeed, to become a free trade zone.

Since June 1989, a process of liberalization and dismantling of the public sector has begun and the autonomy of the cooperatives has grown, with the aim of increasing output and putting a brake on the rural exodus. Private investment in housing is henceforth allowed, and measures to encourage exports adopted.

Steps have also been taken to encourage profit sharing in the workplaces. A draft law on investments and a 33% devaluation of the national currency have been carried through to attract the capital of the Arab bourgeoisie. Finally, in 1990, some stimulants for the private sector were introduced in the artisanal and light industrial sectors, and the nationalization laws of 1970 have been annulled.

Meanwhile, with the aim of increasing agricultural output, currently in free fall, halting the rural exodus and harmonizing with the North, Aden has lifted the restrictions on the cultivation of qat⁵, which for the last 15 years have limited the cultivable surfaces and the time devoted to its consumption (rest days alone). The cultivation of qat fills the state's coffers in the North thanks to the levies effected directly by the army on entry to the towns, and it keeps the peasants on the land, yielding an income six times higher than that furnished by more traditional cultivations (like coffee) — however, it reduces food

production and leads to a massive recourse to food imports; and this, since qat is not exported, contributes to the deepening of the trade deficit.

For its part, North Yemen, hit by an economic crisis and a fall in oil income, has entered upon a process of "democratic opening" in order to implicate the opposition in managing the crisis. In 1987, the Arab Republic of Yemen ratified the International Convention on trade union freedoms and, in 1989, that of the right of organization and of collective negotiation.

The income from the oil deposits at Alif, recently exploited and newly linked to the port of Salif by a pipeline, has not been as high as expected and this has weighed heavily on the trade balance. North Yemen holds at least one world record; that of the lowest ratio of exports to imports (1%).

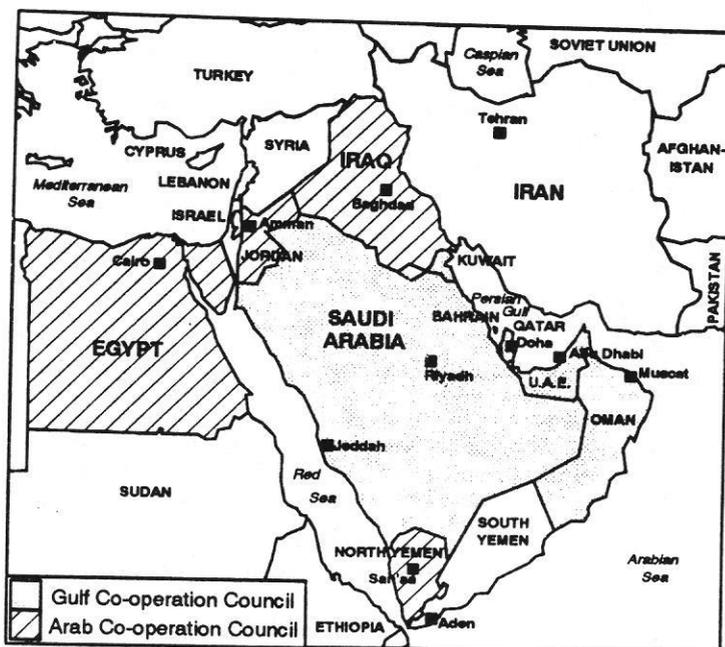
Its Gross National Product (GNP) is barely superior to that of the south. For the first six months of 1989, the balance of payments deficit was \$753 million, or an increase of 45% in relation to 1988. Any comparison with the South, notably in the field of social gains — totally non-existent in the North — bears testimony to the significant efforts made by the People's Democratic Republic in health and education. In the North, out of 20,000 teachers, 15,000 are foreigners (above all Egyptians).

Iraqi support for unification process

Initially planned for November 1990, unification was brought forward by some months under the pressure of regional events, a month before the annexation of Kuwait.

This union of oil interests was supported by the Iraqi dictatorship, a member, like Jordan, Egypt and the Arab Republic of Yemen, of the Arab Cooperation Council (ACC).

Created in February 1989, this seeks to counterbalance the weight of the oil monarchies of the Gulf Cooperation Council (GCC) — which comprises Oman, the



United Arab Emirates, Qatar, Bahrein, Kuwait and Saudi Arabia.

For Iraq, North Yemen was primarily a partisan of the fixing of quotas and an increase in the price of oil (opposed by Saudi Arabia and Kuwait) and moreover a state with control of the east bank of Bab el Mandeb, the second most important oil strait after that of Ormuz, the west bank being controlled by Djibouti.

The Yemeni leaders in both the north and the south now want to stop the fundamentalists — easily manipulated by neighbouring Saudi Arabia — from gaining ground.

These latter exploit the discontent of the tribes who fear being disarmed and in the North they have caused controversy over the Constitution. However, they cannot oppose unification, since they claim to struggle against all that divides the umma⁶.

According to them, the new charter is in contradiction with the sharia, the Islamic law, which is not made "the sole source of

1. On June 22, 1969, the first president of the Republic of South Yemen, Qahtan as-Shaabi, representing the right wing of the movement and a partisan of the Egyptian Nasserite model, was overthrown by the left wing of the NLF, supporters of a more clearly pro-Soviet model.

2. *Le Monde*, January 22, 1987.

3. Hunt Exxon (United States), Total (France), Techno Export (USSR), Kuwait Petroleum Exploration Company (Kuwait).

4. On March 13, 1990, Gorbachev sent a message approving the unification of the two Yemens.

5. A plant which is chewed to produce a mildly euphoric effect.

6. The community of believers in Islam.

7. The Party of the People for Reform comprises the Muslim Brotherhood, the northern tribes who traditionally look towards Saudi Arabia, which has always armed and financed them, and some conservative businessmen. Its leader is Sheikh Abdallah El Ahmar.

Chronology

UNTIL the establishment of the British protectorate, Yemen was a Muslim province, governed from 893 onwards by Zaidite (a Shi'a sub-sect) imams based in the north. The dynasty lasted until 1962.

The Ottoman empire seized control of the coast and the port of Aden in the 16th century, extending its grip to San'a in the 19th century.

In the middle of the 19th century, the British conquered Aden and installed a protectorate in the south. But they were only interested in the town of Aden, because of its situation and their strategic interests in the region.

- In September 1962, a Nasserite coup d'état overthrew the imamate in North Yemen; subsequently, a war broke out between the republicans, supported by the Egyptian army, and the partisans of the imamate, supported by Saudi Arabia and Britain.

- On October 14, 1963, inspired by the events in the North, the National Liberation Front (NLF) of South Yemen began armed struggle against the British.

- In 1965, an agreement was signed between Egypt and Saudi Arabia concerning the settlement of the conflict in North Yemen.

- On November 10, 1967, after 128 years of British colonization, South Yemen became independent. The NLF became the hegemonic leadership and effected a break with Egypt, particularly because of its agreement with Saudi Arabia over the North. The left wing, represented by Abdel Fattah Ismail and Salem Rubayya Ali, were in the majority, against the right led by Qahtan as-Shaabi. The latter nonetheless became the first head of state of the Republic of South Yemen.

- On June 22, 1969, the left tendency overthrew as-Shaabi, and Salem Rubayya Ali became president. The country was renamed the People's Democratic Republic of Yemen.

- In March 1970 the civil war in North Yemen ended. The regime was profoundly unstable because of strong tribal rivalries and the pressures of Saudi Arabia. In 1978, Colonel Ali Abdullah Saleh installed himself as head of state.

- Following the Soviet-Egyptian break, South Yemen began to emerge from its isolation and draw closer to the Eastern bloc nations, especially in the period from 1974 onwards. Divergences appeared between the president, Rubayya Ali, and Abdel Fattah Ismail, partisan of a much closer relationship with the Stalinist states.

- On June 24, 1978, Salem Rubayya Ali attempted a military uprising, with the support of a part of the army. Violent confrontations followed, particularly in Aden, at the end of which Rubayya Ali was executed. Abdel Fattah Ismail and Ali Nasser Mohammed became the leaders of the NLF, creating the Yemen Socialist Party as the country's single party in October 1978.

- In February-March 1979, there was renewed fighting between the two Yemens.

- In 1980, new factional struggles emerged between Ali Nasser Mohammed, supported by the Minister of Defence Ali Antar, and the president Abdel Fattah Ismail, who was seeking to extend his hegemony throughout the party. The latter was forced to resign his functions as head of state and party, and exile himself to Moscow. Ali Antar was then dismissed by the new president.

- In 1985 Abdel Fattah Ismail returned from exile and allied himself with Ali Antar against Ali Nasser Mohammed, in a conflict which in 1986 led to violent armed confrontations, particularly in Aden, and more than 4,000 deaths. Ali Nasser Mohammed was forced into exile and Abdel Fattah Ismail killed. ★

legislation", but only the "principal source" (Article 3 of the Constitution).

In the North, the fundamentalists regrouped in January 1991 in the Party of the People for Reform, *Al Islah*⁷, whilst Saudi Arabia has continued its pressure against Yemen, signing, three months before unification, an agreement with the sultanate of Oman, which gave the Saudis a right of passage towards the Arabian Sea, through the province of Mawa, bordering Yemen, thus achieving the submission of the sultan — whose oil reserves will be exhausted in another 25 years.

The Gulf crisis has not stopped the new state from pursuing fusion, but its fallout has progressively limited the horizons of a

new Yemenite bourgeoisie in formation. The measures taken at the economic level are significant; a law on the acquisition of public property; priority given to the exploration and exploitation of oil and silver, copper and gold mines; the development and modernization of the Aden refinery; an agreement of support to the private sector with the US government, Holland and the United Nations Development Fund for the financing of local industries; an appeal launched to the exiled bourgeoisie of South Yemen that it returns to invest in the country.

This project obviously rests on rebuilding the army as a cornerstone of the national consensus. Military service has

been extended to two years. The most significant law is that forbidding partisan activities in the army.

This is essentially aimed at the army of South Yemen whose troops are in their majority members of the YSP. But the government of the new Yemen needs the army of the South in its current state if it wishes to reestablish the effective unity of the country, that is to vanquish the tribal opposition.

It is significant that this measure will not take effect until the end of the transitional period, which is to be completed by May 21, 1992. Before then, the new state hopes to regain areas to the North which currently escape its control. Until now, there have only been symbolic exchanges between military units rather than fusion, as is the case with most other parts of the two state sectors.

Long term ties between Baghdad and North

Relations between San'a and Baghdad go back to the 1940s. During the Iran-Iraq war, the Arab Republic of Yemen was the only outside country to participate in the conflict, sending a contingent of 1,500 soldiers to the front.

Indeed, despite what has often been said, it is less the supposed traditional "anti-imperialist" weight of the South than the close links between the ex-North Yemen and Iraq which determined the position of the unified Yemen during the conflict, as was the case with most of the Arab states who did not join the "allied" coalition.

During the Gulf crisis, unified Yemen, involved for the first time in an international crisis and occupying the Arab seat on the UN Security Council, systematically abstained on the resolutions condemning Iraq and opposed the recourse to armed force against the country.⁸

This position has cost the new state dear, and the increase in the price of oil (coming when the new, recently discovered, deposits have not yet been exploited) has not been enough to offset the losses; the return of a million totally dispossessed Yemenis, expelled from Saudi Arabia, has swelled the number of unemployed (the new state has 12 million inhabitants) and means the loss to the country of foreign currency transfers (\$160 million a year).

The cessation of Saudi economic aid, which covered the trade deficit, the interruption of US financial aid, the annulation of refining contracts for Iraqi oil and the end of bilateral cooperation with the imperialist countries, make it, indeed, the victim of an unofficial embargo. ★

8. This attitude also expressed itself in popular demonstrations; on August 9 and 11 before the Egyptian embassy; on August 14 in all the big towns; and on August 15 in Aden, organized by the YSP. On January 18, 1991, thousands of people demonstrated in San'a and attacked the British embassy.

The Seoul spring

ON MAY 24, 1991, South Korean president Roh Tae Woo appointed a new prime minister and reshuffled his government. After several weeks of "firmness" in response to the opposition movements, the president had finally been forced to give way, in preparation for the June 20 local elections, in which his ruling Democratic Liberal Party scored a sweeping victory.

ENZO TRAVERSO

THIS was his reply to a growing wave of student mobilizations which was unleashed by the death under torture on April 26 of Kang Kyung Dae, a 20 year old student arrested by police at a demonstration. The ferocity of the police repression, the radicalization of the student movement, the alarming increase in the number of victims of government intransigence, had once again plunged the country into chaos and a spiral of violence. Once again the capital Seoul and the country's other main cities saw tens, perhaps hundreds of thousands of demonstrators and special anti-riot units involved in bloody clashes that would, if they continued,

profoundly shake the regime.

The world's press was unanimous in the view that these demonstrations were the most important since Roh Tae-woo came to power four years ago in the free elections that followed the fall of the military regime of Chun Doo Hwan.¹ This time the revolt was primarily spurred by the successive deaths of eight students who set themselves alight to protest against the lack of liberty and to demand the resignation of the prime minister, considered to carry the main responsibility for the police repression.

Over the past three years, the international prestige of the South Korean government and its president has been firmly on the rise, thanks to the impression of modernity fostered during the Seoul Olympics in 1988, the increasing economic room for manoeuvre of a regime that had previously been totally subordinate to the United States, the increasing difficulties of the North Korean regime following the collapse of the Communist regimes in Eastern Europe, and finally, due to a flexible foreign policy that has seen South Korea establish diplomatic relations and intensive commercial relations with the Soviet Union and its former allies.

Roh Tae Woo's visit to Moscow in December 1990 led to an agreement on a \$3bn credit to the Soviet Union, casting the South Korean president in the role of a leader of a great power, however misleadingly. Relations between North and South Korea have undergone a profound

change in the past three years, to Seoul's advantage, as is shown by the recent decision by Pyongyang to abandon its opposition to the simultaneous admission of both Koreas to the United Nations, in order to forestall South Korea's entry alone.²

However, this international prestige is accompanied by permanent instability inside the country, where political tension remains high. For one thing, nobody in South Korea has forgotten that, as an army general, Roh Tae Woo took part in the 1980 military coup that brought Chun Doo Hwan — one of the most hated figures in the whole of modern Korean history — to power. For another, the worker and student movements can explode at any time and maintain a high level of mobilization. The plan — similar to those being implemented in much of Latin America — of turning South Korea into a democratic regime under military tutelage³ can draw strength from high living standards, but also confronts permanent social tensions.

Students seen as the conscience of the nation

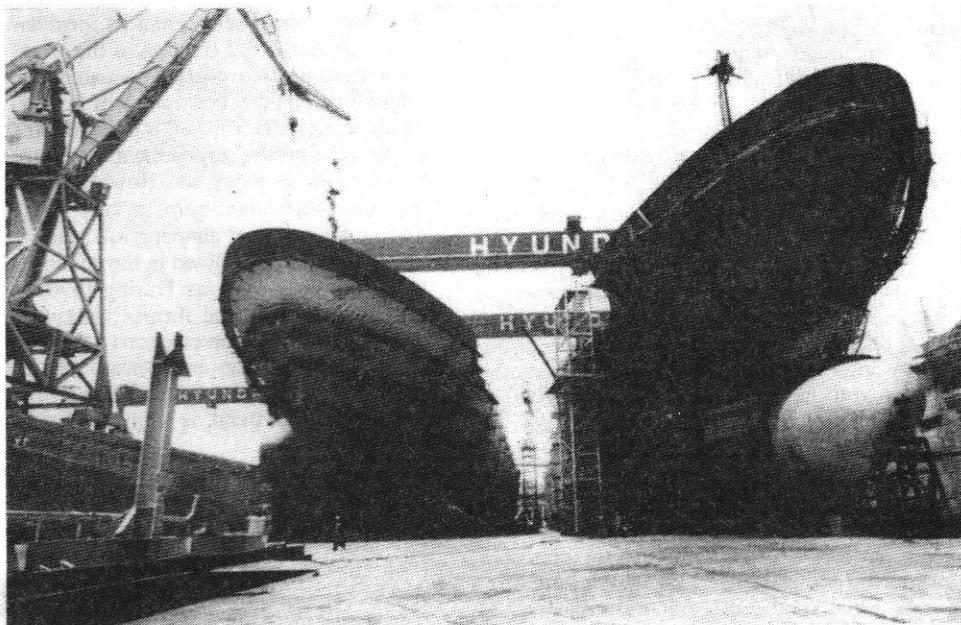
Enjoying considerable social respect and often considered as the conscience of the nation in a country where traditionally the "lettered" (Sa) have formed a caste at the top of the social hierarchy, the students have always been in the forefront of the struggle for democracy; from 1960, when they brought down the military regime of Syng Man Rhee, to 1987, when their actions set off a vast social mobilization which sounded the end of the corrupt regime of Chun Doo Hwan and the passage to a more democratic political system.

The student movement contains the whole spectrum of the left, from social democrats to Trotskyists, not forgetting those moved by the thoughts of North Korean leader Marshal Kim Il Sung. But it seems increasingly to converge around a number of central demands, such as respect for democracy, the release of the many political prisoners, and the withdrawal of the 40,000 American troops stationed in the country since the end of the civil war, these latter being widely seen as the symbol of a former "colonial" dependence which is becoming ever harder to tolerate. Finally there is the issue of the reunification of the peninsula.

1. See *International Herald Tribune*, April 30, 1991 and *Le Monde*, May 15, 1991.

2. *Le Monde*, May 29, 1991.

3. See Bruce Cummings in *New Left Review*, February 1989 and Daniel B. Schirmer: "Korea and the Philippines; a century of US intervention" *Monthly Review*, no. 1, 1991.



1a.

Although not directly led or manipulated by Pyongyang, despite some links, a significant current in the student movement bases itself on the *juche* ("identity") principle promulgated by the North Korean regime since 1955, and regards the regime north of the 38th parallel as a model of national liberation. This current preaches an ideology that is a melange of Marxism and Confucianism, giving rise to a form of nationalism with definite xenophobic notes, which identifies Korean national identity with the Kim Il Sung cult.

The populist exaltation of the masses (*minjung* — "the people") and the nationalist mysticism characteristic of this current, which is probably the most important in the radical left, is matched by great combativity, courage and determination. This is also a factor in their preferred forms of protest, among them the self-immolations which have resulted so far in eight deaths. It is a practice that draws on a still living Buddhist tradition that survives beneath the modernization and secularization of the society, which exalts the notion of sacrifice.

However this form of protest is even more a reference to the history of the South Korean workers' movement, whose rising curve was marked in 1970 by the self-immolation of the Seoul worker, Chun Tae Il, who wanted to make a protest against the living and working conditions of the South Korean proletariat.

Besides this current, known as National Liberation (NL), which makes reunification its central demand, there is another which makes support for workers' struggles its priority, and underlines the importance of the social contradictions in South Korean society.

These two currents, whose origins go back thirty years, have shown themselves capable of mobilizing some thousands of students on a permanent basis, and also exert a considerable cultural influence. A large proportion of the South Korean intelligentsia now considers itself Marxist, and the bookshops of Seoul and Pusan are full of Marxist works. In the same way as in post-1968 Western Europe, the movement is pluralist and extremely diverse, looking to different

traditions and nourished by a revolutionary culture in which can be found both the best and the worst, from Walter Benjamin to Kim Il-sung.

A clandestine edition of the Marshal's writings is currently being widely disseminated on the campuses, where it can easily be purchased. At the same time, since the nearly total ending of censorship three years ago, Korean translations of virtually the whole of the Marxist tradition are available in bookshops, from Marx to Trotsky, Rosa Luxemburg to Lukacs, Gramsci to Marcuse, from the Frankfurt School to *New Left Review*, from Althusser to Mandel.

One of the reasons for the high level of political mobilization, not only of students but of the whole of democratic public opinion in South Korea, is the large number of prisoners of conscience who rot in the country's jails.

Repression continues despite election pledge

As could be expected, Roh Tae Woo's government has done the opposite of what was promised during the 1987 election campaign that brought him to power. In those days he affirmed that "national security will no longer be a pretext for restricting liberty and human rights in this country." Today 398 prisoners, 32% of the total number of prisoners of conscience, are held under the National Security laws imposed forty years ago to suppress the Communist movement and prevent any solidarity with North Korea.

Overall there are some 1,300 political prisoners in South Korea today, or an average of 3.7 arrests a day since February 1988, when the democratic opening gave way to a new wave of repression. Most are students (567) and workers (430). Among them are the main leaders and activists of the student movement (*Chondaehyup*), of the movement for national reunification (*Chunminryun*) and above all of the new unions grouped together at the national level in the *Chunnohyup* organization.⁴

The presence in jail of 151 self-confessed Communists should also be noted. Unwilling to renounce their ideas, some of them have been in jail for decades.⁵ In fact, the number of 1,300 prisoners is only the tip of the iceberg of repression; there are also hundreds of militants arrested for shorter periods during street demonstrations and clashes with the police. Last year, for example, more than 500 students were arrested for throwing molotov cocktails (a practice that these days seems more popular than traditional martial arts among the youth).

It is also significant that the breadth of the protests ended up shaking the discipline of the anti-riot units themselves; 22 soldiers from these units have been

arrested for refusing to take part in repressive actions. The struggle for the liberation of prisoners of conscience came on centre stage at the start of last year with the sentencing of Im Su Kyung, a 22-year old student, and the 61-year old Rev Moon Kyu Hyun, for having gone to North Korea to further the cause of reunification. When they returned to Seoul, where they knew they would be arrested under the National Security Law, their arrest aroused immense emotion.⁶ The regime had to sentence them while knowing that this would turn them into national heroes. They got in fact ten years in jail, massive solidarity mobilizations forcing the sentences to be reduced to five years.

The workers movement has been profoundly affected by repression. At the start of last year the founding congress of *Chunnohyup* took place at Souwon, an industrial suburb of Seoul. It was broken up by police and several leaders arrested. A year and a half later, the union can feel that it has achieved a real success in keeping going despite the heavy repression.

Today it organizes 190,000 workers grouped in 14 regional federations which in turn group together various unions organizing particular jobs.

Strikers defy police for two weeks

Its baptism of fire came a few months after its birth, with the strike in one of the biggest South Korean workplaces, the Hyundai naval shipyards at Ulsan. Here the confederation's activists played a leadership and organizing role that allowed the workers to hold out for two weeks against 18,000 armed police.⁷ This strike received the support of around 200,000 workers throughout the country.

Chunnohyup remains a minority force in the union movement, and its membership is only a small fraction of the workforce of some 10 million. The main union confederation, the Federation of Korean Trade Unions (FKTU), "moderate" and recognized by the government, has three times as many members. However what has allowed *Chunnohyup* to keep going despite the arrest of almost all its leaders, is the fact that it is rooted in the country's main industrial bastions. During 1990, its militants replaced the former workplace delegates in the union elections in several major South Korean enterprises, such as the naval shipyards and the Daewo car factories. This trend is continuing this year.

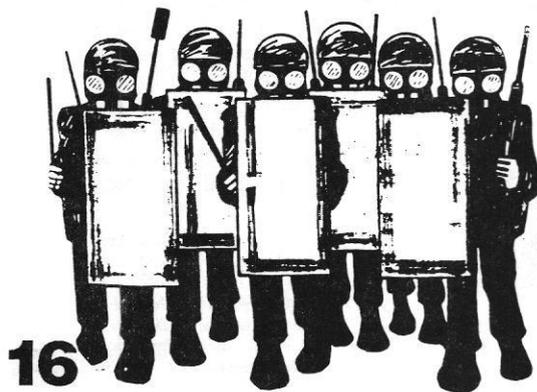
4. *Korea Report*, News and Analysis of Korean Affairs, (Washington) No. 11, 1990.

5. Their situation has been denounced by Amnesty International in its annual report.

6. *International Viewpoint* no. 180, March 13, 1990.

7. *IV*, no. 184, May 7, 1990.

8. See the pro-government review, *East Asian review, Korea and World Affairs*, no. 4, 1990.



The platform of Chunnohyup

1. We will struggle for a decent life by fighting for wage increases and also for the 44 hour week.
2. We will struggle to abolish wage discrimination based on occupation, sex and educational background. We demand a fair wage system that provides equal pay for equal work.
3. We will struggle for a secure employment system that eliminates unfair dismissal and provides living allowances and job training for the unemployed.
4. We will struggle for a safe working environment that prevents industrial hazards and occupational diseases.
5. We will struggle for the right to organize and bargain collectively.
6. We will struggle in unity against the government and management repression of the labor movement.
7. We will struggle for guaranteed housing, free universal education, medical insurance, price stabilization, environmental protection, welfare increases and tax reforms.
8. We will struggle against sexual discrimination and for maternity rights.
9. We will struggle for a healthy *minjoong* (people's) culture to resist the decadence of foreign cultural invasion.
10. We will struggle for the guarantee to all the Korean people of the freedom of the press, expression, assembly, association, demonstration, and thought and other basic civil rights.
11. We will struggle in firm solidarity with other popular forces for democracy, independence and the reunification of our motherland.
12. We will struggle for international peace by fostering solidarity with our fellow workers all over the world.

(from *Korea Report*, Washington DC, August/September 1990) ★

Chunnohyup is thus a vanguard union, directly organizing a minority but now able to lead the struggles of the strongest and politically most militant sectors of the workers movement. Despite the repression, its organizations are regarded as legitimate by the workers, and this has forced the enterprises to recognize the union, despite the intransigent attitude of the government.

Chunnohyup is the product of a new generation of workers, born of the South Korean economic miracle, formed by the struggles of the 1980s and radicalized by the fight against Chun Do-hwan's military dictatorship. The average age of the leaders is about 30. This is a young working class, which, despite harsh repression, has won important victories. Wages, for example, have risen by around 20% since 1987. The working week has been reduced and struggles have taken place over working conditions — faced with a situation where there have been 15,000 deaths in industrial accidents in the past decade, 2,236 of them in 1990.⁸

There are many women in *Chunnohyup*, whose demands include maternity rights (a period of paid leave after the birth with the assurance of getting the job back) and the abolition of all sexual discrimination (most working women are unmarried young women who earn considerably less than men doing compara-

ble work). Mainly concentrated in the textile industry and electronics, women are the most exploited layer of the South Korean working class; it is estimated that 98% of women workers work longer hours than the legal limit (41.5% more than nine hours and 22.5% more than ten hours a day). The result is work related illness such as anaemia, which afflicts 12.7% of women factory workers.⁹

Chunnohyup's strongholds are the country's big enterprises, the site of the fiercest struggles in recent years. To give only a few examples, the unions in the *Chunnohyup* confederation organize 20,000 workers in the steel plants in Pohang; 19,500 in the Hyundai naval shipyards at Ulsan; 13,500 in the Daewo car factories at Incheon near Seoul; and 10,150 in the Daewo naval shipyards at Geoje.¹⁰

Chunnohyup unionists from 16 of the biggest enterprises, organizing 109,000 workers, held a conference on December 9, 1990, to establish a national coordination. They decided to launch a national campaign around four main axes: a) to create a united movement against anti-strike legislation and anti-union repression; b) to defend the unity and independence of the democratic union movement; c) to strengthen the solidarity initiatives linking unions in the big enterprises in the different regions of the

country; d) to work for a social movement to pursue demands concerning services and the quality of life, such as transport, crèche facilities and social security, that are not directly factory-related. The leader of this new national coordination is 31-year old Pak Sun Hwan, the president of the union in the Ulsan naval shipyards. Although it had been declared illegal and was threatened with dissolution by the government, on this occasion the conference was able to proceed normally.

The importance of this new coordination becomes clear in the light of the structure of the South Korean economy, which is one of the most concentrated in the world. The economy is controlled by a few massive conglomerates (*chaebol*) comprising several branches covering practically every productive sector. In 1990, overall sales of the products of the four main *chaebol* (Samsung, Hyundai, Lucky Goldstar and Daewo) amounted to \$135bn, that is, more than half of the South Korean GNP.¹¹

This extreme concentration is one of the main problems of the South Korean economy. The extensive pattern of development of the *chaebols* has created an economy which is vulnerable to the increasingly fierce foreign competition. To keep its position on the world market, South Korean has to diversify production and improve quality, which requires an improvement of the existing technological level.

Heavy industry and draconian protectionism

The South Korean economic miracle was based on heavy industry and other sectors with low capital intensity, which have permitted the creation of more advanced sectors. Thanks to draconian protectionist measures, these products have been guaranteed the home market, where cars, telecommunications and electrical goods are all made in Korea. But they are far from able to make an impact on the world market.

On the other hand, the existence of these massive industrial centres favours the organization and rapid extension of workers' struggles, as the past few years have shown. If strikes at Hyundai or Daewo spread to the enterprises at other *chaebols*, the whole South Korean economy is immediately paralyzed. It is this that explains the impressive wage gains of recent years. After the fall of the military dictatorship and the expansion of the domestic market owing to the country's economic development it is no longer possible to deal with the "worker question" by pure repression as in the past.

9. *Korea Labor, KRIC Monthly Newsletter*, Seoul, No. 4, December 1990.

10. *Ibid.*

11. *Financial Times*, April 10, 1991.

In this context, the weaknesses of the conglomerates have become apparent. Many of the problems have already been encountered in the developed capitalist countries. Just as in the US (with Ford or General Motors in Detroit) and Europe (with Fiat in Turin) the most important industrial groups are tending to reduce the enormous productive centres. The South Korean government is currently putting strong pressure on the *chaebols* to convince them to specialize in specific fields and reduce their concentrations of production.

Urgent need for industrial restructuring

The need for restructuring is now becoming urgent; although still higher than in the most developed capitalist countries, South Korean growth rates have been in decline over the past three years, with estimates of between 3 and 7% for 1991. Exports, long the key to the South Korean boom, grew by 36% in 1987 and 28.4% in 1988, but fell by 3% in 1990.¹² This year the government is aiming to limit the rise in the minimum wage to 12%, while the unions are demanding 19%.¹³

The birth of *Chunnohyup* was followed in November 1990 by the creation of the People's Party (*Minjoundang*), which is the political expression of the new independent workers' movement and is supported by the student movement.

Its leader, Jon Ki Pyong enjoys great popularity in the country and all its leaders, which include workers, students and intellectuals, have already spent several terms in the country's prisons. The hostility of the pro-North Korean current towards the *Minjoundang*, which calls for national reunification without making it the central point in its programme, is a sign of this party's independence. Its programme follows to a large extent that of *Chunnohyup* (see box).

While based on the unions, it brings together a range of political outlooks, including the various left and social democratic currents, Christian currents (above all Catholics), sectors of the peasant movement, women's organizations and left wing elements of the civil rights' movement, who denounce censorship and struggle for the release of the political prisoners.

Minjoundang is a party in formation, but its militants are already discussing the possibility of putting up its own lists in next year's national elections. Apparently the party has not yet taken a firm position on its attitude to Kim Dae Jung, the main leader of the liberal democratic opposition, the only force opposed to the regime present in the South Korean parliament. ★

12. Ibid.
13. *Korea Labor*, op. cit.

Fortress Europe

ON JUNE 3, 1990, the French parliament passed, by a large majority, the June 19, 1990 convention on the implementation of the Schengen agreement.

This convention clarifies the terms of the original agreement signed on June 14, 1985, between representatives of the Netherlands, Belgium, Luxemburg, the German Federal Republic (FRG) and France¹.

Italy joined this initial "Schengen group" of countries on November 27, 1990, after five years observer status, while the Spanish State and Portugal are to adhere on June 25, 1991. The agreement will come into effect when the convention has been ratified by all the member countries, probably in the latter half of 1992.

BEATRICE RAYMAN

WHILE envisaging the disappearance of the borders between the signatory states, the Schengen agreement also involves the establishment of draconian frontier controls on the external border, the stepping-up of cooperation between police forces and the creation of a gigantic computerized information bank, the Schengen Information System (SIS)². Charged with the task of finding "compensatory measures" for the abolition of internal frontiers, the agreement will lead to the building of a formidable repressive apparatus.

The text's main provisions concern the creation of highly restrictive immigration legislation for the Europe Community. Thus people coming from non-EC states will be unable to penetrate the walls of the Schengen fortress without "thorough controls". In the context of the creation of an EC-wide visa, the signatories have drawn up a black list of 104 countries for which possession of such a visa will be required.

This list is to have the force of an instruction and it can only be changed if all the member states agree. Thus, to come into line, since summer 1990, Italy has required people coming from north Africa to have such a visa. On May 15, 1991, the Spanish state followed suit. On the other hand, on the request of the Germans, visa requirements have been abolished for Hungarians, Poles, Czechs and Slovaks.

Anyone who may be considered as presenting a "threat to public order, national security and international relations" will be refused entry into the Schengen area — thus opening the door to all manner of arbitrariness.

To "efficiently" control the right of entry, the agreement envisages the creation of files on "undesirables". The foreigner who has been designated a *persona non grata* in the SIS files will be forbidden to stay in any of the signatory countries, except in exceptional circumstances. The text considers that, even when residence has been permitted, this can be withdrawn. To get put on the "undesirable" list it is enough to have been found guilty of any crime that carries a sentence of more than a year.

The discrimination will not stop at the outer borders of the Schengen area. While people from member states will be able to circulate freely, foreigners residing in any one of these states who want to visit another will have to register with the local police.

Even more seriously, the agreements only cover the metropolitan area and thus do not apply to people from overseas territories. In the Schengen area, people from, for example, Guadelupe, Martinique or New Caledonia are considered as foreigners.

Carriers to be made responsible

Another part of the agreement undermines the traditional right to asylum. Thus, it will be impossible for an asylum seeker refused asylum in one country to seek it in another of the signatory countries. Furthermore, as has already been the case in Germany, Belgium, Britain and Denmark, the carrier will be made responsible for the arrival of foreigners without the right papers and will face a fine.³

Police cooperation is to be stepped up. The creation of an "observation law" will

EUROPE 1992!

A SYMBOLIC DATE, but in fact it looks as if 1991 will be the year in which the future is decided. Firstly, there are the two inter-governmental conferences, one on political union, the other on economic and monetary union (EMU), which are due to complete their labours. There will be compromises, but also important commitments for the coming years. The Schengen convention (see accompanying article) has already been ratified by eight of the twelve member countries of the European Community. The agreement of the Twelve over the equalization of VAT rates (Value Added Tax — that is, tax directly added to the prices of goods and services) at 15% is also an important step forward for EMU, but it will lead in some countries to a restructuring of fiscal policy, which a number of governments will try to deal with by squeezing the incomes of workers.

None of the compromises and difficulties ahead over the speed of monetary union will be able to check the imperious necessity of each country converging around "key financial equilibria". Austerity, and attacks on the wage earners, drives for profitability and reductions in social expenditure will thus be the flavour of the coming years. Some countries will be required to show that they have learned their lessons, if they want to have the chance to get in among the front runners of the EMU hardcore.

Britain, Italy and Spain still have a chance, if they can cut inflation, reduce the public deficit, squeeze wage costs and so on. Spain's economy minister, Carlos Solchaga, has proposed a social pact to enable that country, which currently has an inflation rate of 6.5%, unemployment at 16% and a trade deficit of 6.5% of Gross Domestic Product in 1990, to catch up with the economic performance of its partners. Whether the unions accept the pact or not, there will certainly be a serious attempt to apply it.

The entry of the British pound into the European Monetary System and the "normalization" of the Italian lira into a narrow permitted fluctuation of 2.25%, will both translate in terms of domestic policy into attacks on the wage earners.

In Belgium, the road to EMU goes via a reduction in the public debt (which stands at 132% of GNP); the same is true of the Netherlands (84% of GNP). In the latter country, this year a three-year budget reduction plan envisages cuts of 17.7bn florins and a reduction in public employment. Between now and 1994, social security spending is set to fall by 3.8bn florins.

In France workers' social contributions are to go up by 0.9%, while the German government is to raise taxes to avoid the failure of unification.

This year is thus a decisive one for the next stage of European integration. The press focuses on the magic date of 1992 and chews over all the details of the complex negotiations over the structures being created. But while this is going on, outside of the debate on the institutions, the governments are together implementing policies that each day push back social gains and the workers' movement. Even according to EC Commission president Jacques Delors himself, the "Social Charter" is seriously behind schedule and is not following the rhythm of the economic changes. How surprising! Is the European trade union movement really aware of what is now happening? It too seems to accept the polarization of the debate around the form, the structures and the institutions — as the recent congress of the ETUC (see /V 208) showed — instead of concerning itself with the basic question, that is the relations of force between classes on which the whole project of capitalist integration rests.

There are of course many difficulties in coordinating economic and monetary union, foreign and security policy, and the project for the "internal security" of the community. The preliminary discussions in Luxemburg employ a partial separation of these three areas and aim to establish an independent set of rules for each. Thus integration will take place on three different levels. Added to this are the differences between countries dictated by their needs and capacities; some have not signed the Schengen agreement, integration into the single central bank system is delayed for others and so on.

For a period this will produce an extremely complicated system with a hierarchy. This makes all the more important the juridical discussions on the respective prerogatives of the Brussels Commission, the European Parliament and the Council of Ministers. Each day brings forth new revelations on the new Franco-German dispute, the sudden disagreement between Paris and The Hague, the tension between Bonn and London.

All this is not without interest. The social and political issues involved are important enough for such official debates and contradictions to be worth watching. But they should not allow us to overlook the main thing: the compromise will be found, and new steps taken towards integration, and the bill will be presented to the workers of both Europe and the dependent countries. Six months from 1992 it is time to start paying attention. — **Claude Gabriel**. ★



TERRE
D'ASILE!

allow police officers from a signatory state to pursue their inquiries in another country, establishing a new cross frontier "right of pursuit".

Worked out with the utmost discretion, more or less beyond the control of formal European bodies and international humanitarian organizations, this text is certain to result in terrible legal imbroglios. To whom is someone to appeal against an unjust decision taken in the name of all the member states given that national law courts will not be competent where super-national decisions are concerned?

Agreement not open to amendment

While it is in some respects incompatible with existing community law, the agreement is also not open to amendment. Those national parliaments that were not involved in drawing it up can only take it or leave it. The Dutch State Council recommended against ratification, considering that the convention is incompatible with community legislation, and a threat to the right of asylum and the right to privacy.

The Schengen convention is a declaration of war on foreigners. All democratic organizations in the member countries have a duty to mobilize to prevent Europe 1993 being fortress Europe. ★

1. See *International Viewpoint*, no. 189, July 16, 1990.

2. This enormous computer file is to be constructed in Strasbourg. All member countries will have access to it. It will contain details of, among others, "undesirable" foreigners, extradition candidates, missing persons, people summoned by courts and those who are to be the object of "discreet surveillance or specific checks".

3. This attitude is a clear expression of a political objective of the European governments, whose countries currently take in only 6% of the world's refugees. On the pretext of chasing out "economic refugees" these countries are trying to reduce as much as possible the protection for asylum seekers laid down in the Geneva Convention.

Undermining the right to strike

THE British trade union movement — numerically still very powerful — is taking a beating. Unemployment has been increasing at a record rate with no significant resistance. The employers feel their strength and have launched a new offensive. Restructuring schemes are underway in a range of industries. Wage settlements in the engineering industry are the lowest for many years. The number of employers negotiating collective agreements is declining and the withdrawal of recognition from trade unions is strongly on the increase. Behind this bleak picture is a collapse of confidence amongst the rank-and-file of the unions which is difficult to reverse.

ALAN THORNETT

THERE have been some recent gains, most importantly the defeat of the right (and the election of a black person, Bill Morris) in the ballot for general secretary of Britain's biggest union, the Transport and General Workers Union (TGWU), but these do not alter the general picture. The employers are doing more or less as they like, with very little resistance.

Three principle factors combine to create this situation:

- The depth of the current recession and the resulting high unemployment.
- The grip of "new realism"¹ on the labour movement, which is now almost total.
- The success of the Tory anti-union laws.

The most important of these inter-related factors is the success of the anti-union laws. Challenging the legal strait-jacket they impose is the single most important issue facing the unions in Britain.

The range of measures now available to employers for use against the unions are the result of a series of seven Acts of Parliament introduced over the past 12 years:

- The 1980 Employment Act: This introduced the concept of "secondary action", a definition that restricts industrial action to "your own" workplace and makes solidarity action — defined as "politically based" action — illegal.
- The 1982 Employment Act: This abolished the immunity against claims for damages over losses due to industrial

action enjoyed by the unions since 1906.

- The 1984 Trade Union Act: This introduced the principle of mandatory postal ballots in union elections. It also made the existence of a union's political fund contingent on a postal ballot.²
- The 1986 Public Order Act: This increased the power of the police over pickets.
- The 1988 Employment Act: This makes ballots compulsory before strike action can be taken. It also allowed the greater use of injunctions against unions and gave rights to dissident members to challenge unions in the courts over internal union matters.
- The 1989 Employment Act: This reduced the rights of dismissed workers and restricted time off for union duties.
- The 1990 Employment Act: This is the most draconian of all. It makes pre-employment closed shops³ illegal, places further restrictions on secondary action, makes unions legally liable for unofficial action unless they specifically repudiate it,

Ah, for Victorian values! Family life: hard work: respect: discipline...



Hmmm...



Sweat-shops!

Company stores!



legalizes the sacking of unofficial strikers and makes it illegal to take any, even official, action in defence of those sacked in this way.

Lawyers determine union strategy

The effect of these laws, and the attitude of union leaders, has been to drag the unions into a legal morass. In most unions, lawyers control every move towards possible industrial action right from the early stages. They set the parameters of what the leadership union can or cannot do. They often interpret the law even more strictly than the courts, and many union leaders are happy for them to do so.

These laws, particularly in the absence of any positive rights for trade unions, are a formidable weapon in the hands of the employers and the government. The responsibility for this dire situation rests entirely with the new realists. Right from 1980, they have been determined to avoid any confrontation with the government. The Trade Union Congress (TUC — the single union confederation) initially declared that they would fight the laws but dropped their opposition and by 1983 began insisting that the law must be complied with. This helped to defeat the miners, the printers, the seafarers and the dockers and acted as a direct encouragement for more laws to be introduced stage by stage. The defeat of the miners in 1984-85 was the decisive turn, strengthening both the Tory government and the new realist right.

This situation is compounded by political decisions of both the TUC and the Kinnock leadership of the Labour Party. Last year's LP conference, with the backing of the TUC, voted to keep the whole range of Tory anti-union laws, with only slight modifications. This indicates the extent of the shift to the right by the Labour leadership; last time Labour came to office, in 1974, they were forced to repeal all the anti-union laws enacted by the previous Tory government of Edward Heath — and this despite the fact that Harold Wilson's Labour government had already tried to introduce anti-union legislation in 1969.

There are some more positive factors in the situation. The total trade union membership, though down from its height of 12 million, remains at 9 million, and in some white collar sectors there has been a strengthening of trade unionism.

But these factors cannot offset the damage which has been done through the defeat of traditionally strong sectors such as the miners and printers, and the decline of the shop stewards' movement⁴ (in strength more than in numbers) in the blue col-

The carrot and the stick

SINCE this article was completed the Tories have announced a further package of anti-union laws to be pushed through parliament early in 1992. This uses the same "carrot and stick" method employed throughout. On the one hand, they will impose a "cooling off period" before any strike, even a legal one, can take place and, on the other, they will require the presence of independent scrutineers to be appointed for all union elections.

This is a very skillful package, aimed at restoring government popularity before the election. Whilst imposing a further constraint on union action, the measures appear to address the issue of union democracy — which is popular among the rank-and-file of the unions. The author of this article, for example, struggled for many years in the Transport and General Workers Union (TGWU) to get agreement on independent scrutineers in union ballots — with little success. Now the Tories are cashing in on the traditional corruption in the unions for their own ends. ★

mounted when the level of class struggle rises. This will not happen automatically at the end of the recession — whenever that may be.

The main reasons for the collapse of confidence are political and the most important factor that will effect it is the outcome of the general election — which has to come within the next year.

The Tories are in deep crisis and the most likely outcome of the general election (although by no means certain) is a Labour government. It is a paradox of the present political situation in Britain that the Labour Party has moved further to the right than at any time since the war — at just the time when the working class needs a Labour government more than at any time since the war!

Even under Kinnock, a victory for Labour would boost working class confidence, raise expectations and set the scene for battles with Labour when Kinnock opposes these aspirations. A fourth term of office for the Tories on the other hand would compound the present situation and make a fight back even more difficult.

In itself, the election of a Labour government would not resolve the matter of the anti-union laws — far from it. In fact, the Labour government would probably soon be using the Tory laws against a more militant working class. The struggle inside the labour movement to commit Labour to repeal of the anti-union legislation is thus of crucial importance.

The campaign which has thus far done the most in Britain to keep the issue of the anti-union laws at the front of the political agenda has been mounted through the trade union committee of the Socialist Movement, which has developed an initiative called the "Unshackle the Unions Campaign".

Last year this campaign organized a lobby of Labour Party conference on the matter, and it held a highly successful conference this April bringing together some 250 trade union militants to discuss the impact of the anti-union laws and how to fight them.

Such work is crucial if militants in the unions are going to be able to prepare the ground to reverse the situation. ★

1. "New realism": the name given to the formal renunciation of class struggle by Labour and union leaders and attendant ideologues.

2. Formally speaking, the unions' political funds can be used to support any party or cause, but in fact they are the main financial resource of the Labour Party — a fact of which everyone is well aware. Government ordered ballots of union members in the early 1980s produced overwhelming majorities in favour of retaining the funds.

3. Closed shop: automatic and compulsory union membership.

4. Shop stewards are directly elected workplace representatives. In the 1960s and 70s shop stewards' networks formed an important alternative power centre in the unions to that of the bureaucracies.

The left against Fujimori

IN HIS first months in office, Peru's president Alberto Fujimori has dashed the hopes of the many who voted for him in the belief that he represented an opposition to the privatization and austerity programme on offer from the far right grouped around the candidacy of the writer Mario Vargas Llosa.

Here we publish extracts from a working paper from the central committee of the Party of Mariateguist Unity (PUM), which provides this party's analysis of the situation in the country. It first appeared in the PUM's magazine, *Amauta*, in February 1991.

DOCUMENT

THE profound polarization in Peru made Alberto Fujimori the candidate of all those forces opposed to the "shock therapy" proposed by the International Monetary Fund (IMF). The fragile and precarious social base of Cambio 90 [the coalition that supported Fujimori's candidacy], as well as the unstable character of the majority that carried him to power, accentuated the caudillist [*caudillo* — a charismatic leader] and authoritarian tendencies of the new president.

His entourage was dominated by a sector of the army tied to the National Intelligence Service (SIN) and men in the pocket of imperialism. The more pragmatic sectors of the right, clearly in the majority in Cambio 90, have been putting pressure on the government without taking open positions.

The American Popular Revolutionary Alliance (APRA — the party of the outgoing president Alan Garcia), despite its surprising result in the elections¹, found

itself from the start on the defensive, and unable to develop an opposition policy. Two different positions have appeared within it: the supporters of outright opposition (Alan Garcia) and those that want to negotiate with Fujimori (APRA's presidential candidate, Alva Castro).

Owing to its electoral defeat in April, and the confusions caused by the call to vote for Fujimori, the left has found itself trapped²: internal divisions and a weakening of links with the masses have been the order of the day. In practise, most of the left gave the new government a blank cheque. The crisis of the left has gone onto a new stage since some sections, like the Socialist Left, a split from the United Left (IU), and IU itself, have taken ministerial posts, after the break up of the coalition at the time of the formation of regional governments.³

Between June and August 1990, the Party of Mariateguist Unity (PUM) ran a campaign around an alternative proposition to the government's, with the help of left wing economists, with the aim of uniting the forces opposed to the government's policies. While the campaign caught the attention of the media, it did not really mobilize the PUM's forces or significantly affect the organized popular movement. The idea that the only option for Peru is Fujimori's "shock" was widespread among the population.

Majority of population live in poverty

On August 8, 1990, a very sharp price rise, which led to an inflation rate of 392% in one month, speeded up the economic crisis; we have been subjected to the most violent adjustment in recent Latin American history. Production fell by 20% in the second half of 1990, pushing the Gross Domestic Product back 30 years. The majority of the population finds itself in a situation of absolute poverty: today, only 6% of the economically active population of Lima are earning the equivalent of the minimum wage of 1970.

Millions of Peruvians were eligible for official aid, even on official figures, after this catastrophe. Faced with the threat of a popular explosion, the government has stepped up the militarization of the country, while creating a broad front around itself with the bosses and the Church to organize the Social Emergency Programme. The responses of the left have been limited, unstructured, unequal and without any political or profession-based centralization. The national strike [of October 1990] had a limited impact — indeed, given the gravity of the situation, it could be considered a failure.

In the aftermath of the announcement of the economic shock, the PUM made a self-criticism of its call for a vote for Fujimori in the second round, explaining that this had contributed to causing confusion among the masses and disarming them.

The PUM was equally wrong in believing that these measures would be met with an explosion; it had under-estimated the crisis of leadership [of the workers' movement] and the impact of the neo-liberal offensive on people's thinking.

It was soon obvious that the Social Emergency Programme was a failure. In recent months, women (and above all women militants of the PUM) have been one of the most dynamic sectors, with campaigns for milk for their children and for people's canteens, especially in Lima.

Nonetheless, the government retains the political initiative. Fujimori has launched direct attacks on various political institutions, including the judiciary, parliament, the regional governments and finally the town halls, and on some sectors of the mass organizations.

In each case the government has been able to set the terms of the confrontation, discrediting the institutions in the eyes of public opinion.

The caudillo without charisma

However these tactics have not definitively changed the balance of forces or the nature of the economy and state. This is Fujimori's main weakness, threatening to expose the fragility of his government. In recent weeks, the popularity of the president and his prime minister has been falling. Fujimori's "caudillismo without charisma" could easily turn into pure and simple dictatorship. In fact, Peru today is run by a civilian/military government with the main centres of decision making being the SIN and US officials.

The PUM lost this first battle by surrendering on the most important thing for the masses: the president's economic policy.

The establishment of regional governments has been important for the left, but the balance sheet is on the whole negative. The left has not shown an ability to govern in a new way, and has fallen into the trap of chasing after official positions. The government has thus been able to manipulate discontented municipalities to undermine the image and strength of the left, by reducing municipal budgets, halting the transfer of control of public enterprises and so on.

The PUM runs the local government in Puno. It has been trying to resist the centre on problems such as land, mining and energy problems. Positive initiatives, including a regional meeting, have been taken in favour of the peasants.

Throughout the second half of 1990, the mass movement has met many problems in resisting and confronting the "Fujishock". This is due to the devastating effects of the national crisis, the withdrawal caused by the growth of violence, the obsolescence of old forms of struggle and the crisis of the vanguard.

Broadly, one can say that the popular movement is on the defensive and is

showing a dangerous tendency to resign itself to defeats of some significance. However, important experiences, of varying form and content, have taken place. City-dwellers fighting to get land and women defending basic subsistence programmes have been in the front rank.

Nonetheless, globally, the ability of the urban and industrial working class to fight has been weakened, owing to the recession caused by the government's economic programme.

The PUM has been encouraging the establishment of stable links between the union confederations in the nationalized sector, in mining and energy; something all the more necessary given the advance of the privatization programme. The coordination between the miners and power workers organized a joint strike in January 1991, which was a reasonable success.

Workers in the nationalized sector, hard hit by the budget reductions, have responded with long sectoral struggles which converged towards the end of 1990. The results were limited and fragile, but the will to fight was made clear, and very few took voluntary redundancy.

To deal with the union movement, the government has used a strong hand, combined with minor concessions over, for example, the cleaning up of the social security system. There has also been an offensive over so-called "democratization" of the unions.

Peasant struggles break out in many places

Peasant struggles have broken out widely. There have been stoppages and strikes in a number of places — Piura, Loreto, Cusco, Costa Sur and elsewhere — with, in some cases, the development of self-defence. The reappearance of the peasant movement in Ayacucho, which broke the military encirclement, is significant. But there has been an absence of centralized initiatives and it has been impossible to coordinate the local struggles.

The struggle between the military forces in the interior of the country has stepped up, but without either side being able to change the relation of forces, a sign of the limitation and problems of their strategies [the military have 50,000 soldiers, Sendero Luminoso, 5,000 and the Tupac Amaru Revolutionary Movement (MRTA)

1. APRA got 20% in the first round, and thus found itself in a pivotal position in parliament — Fujimori got 61% of the vote in the second round against 38% for Vargas Llosa's Democratic Front (FREDEMO), despite the fact that the latter had come out ahead in the first round, with 33%.

2. Both the PUM and the United Left called for a vote for Fujimori, on the grounds that it was necessary to do whatever was needed to defeat Vargas Llosa.

3. The United Left (IU) coalition brings together the Communist party, the PUM and the National Union of the Revolutionary Left (of Maoist origin). After the left was offered ministerial posts in the incoming Fujimori administration, the IU broke up; the elements wanting to take the posts formed the Socialist Left.

Achievements of the Fujimori government

ALBERTO Fujimori was elected a year ago when he ran against the free market enthusiast Mario Vargas Llosa.

However, as soon as he got back from Washington, Fujimori adopted his adversary's policies. On August 8, 12 days after his investiture, the "Fujishock" was set in motion, including 100% plus price rises on basic necessities, with the promise of reduced inflation.

- The main aim of the economic programme was the repayment of the debt (\$2.2bn). The idea was to build up hard currency reserves, reinforce the role of the state and reduce its expenditure. Fujimori launched into the "rationalization of public enterprises to sell them in good condition" by sackings and buying resignations (according to the calculations of the Confederation of Functionaries, CITE, a voluntary redundancy was worth 600 million intis, or about \$750, in January 1991). A lowering of customs duties brought Peruvian products into direct competition with imports.

- Immediate result: a dramatic fall in the income of wage earners, peasants and the informal sector; a drop in demand, the bankruptcy of small enterprises and the growth of unemployment. This added up to recession. 70% of Peruvians live below the poverty line.

- Since mid-December 1990, the failure of the IMF programme, faithfully applied by Fujimori, has become apparent. Negotiations were opened in Washington; a new stabilization plan, creation of a "support group" and promises of credit to pay the debt. On December 16 came the second Fujishock, with a rise of 20% in the price of fuel, immediately followed by an across-the-board price increase. In mid-January 1991 the prime minister and the economy minister resigned.

- In February 1991, the cholera epidemic (see IV204) was announced and led to a sharp fall in exports. Here, too, the alternative is to fight against poverty and disease or pay the debt.

- Some 60% of the working population is unemployed or under-employed.

- Only 6% of wage earners have job security. The minimum wage on January 11, 1991, was around \$45, and it has remained at that level. According to official figures, twice as much is needed to feed a family in Lima.

- 4.5% of the national budget goes on healthcare.

- 30% goes on defence. Public expenditure on social needs is not generous; in 1990 it amounted to some \$14 per inhabitant (as opposed to \$49 in 1980). Four out of 10 get a mere \$15 dollars a month. The minimum wage has lost 25% of its value since 1985.

- In April 1991 inflation was 5.8% (47% since the start of the year and 3,589% over the past 12 months). ★

1,000]. Thus the war will continue.

The Fujimori government has accelerated militarization. Its links with the armed forces, and in particular with the army, are one of the pillars of its immediate stability.

The militarization has been supported by a broad spectrum of forces, including sectors of the left. The terrorist actions and provocations of Sendero Luminoso have had a decisive impact in this respect.

The military have gained significant results in striking at the leadership of Sendero and the MRTA in the north-west. The government has increased the number of paramilitary groups, which are now to be found in several parts of the country and which provoke murderous clashes.

In October 1990, for the first time, a state of emergency was decreed in the north of Puno, making it clear that the social and political forces and the Church are on the defensive as far as the militarization of the country is concerned.

Fujimori has handed the interior minis-

try and the army to the military circles tied to Montesinos.⁴

This has been expressed by the pensioning off of 300 officers, above all those close to Mantilla [organizer of the right wing Rodrigo Franco paramilitaries], as well as some who have been zealous in the struggle against the drug traffic.

Fujimori himself has asked certain officers to retire — including the commanders of the navy and air force.

These contradictions have led to the eruption of various scandals, concerning phone bugging and spying, and also to the non-signature of a treaty of cooperation with the US over the anti-drugs struggle. These problems have also led the army to lose some of the initiative in the internal conflict; criminal actions have multiplied, reflecting its disarray and complicating its relations with the population.

While being heavily attacked in some regions and pushed onto the defensive, Sendero Luminoso has stepped up its military actions and advanced in regions

which it considers of priority importance. It has in particular addressed itself to the task of establishing what it calls the "new power", its support bases, with authoritarian methods, while striking against autonomous organizations and combative leaderships.

From Upper Huallala and the bank of the river Apurimac, Sendero has advanced towards the central forest, imposing its presence and control in all the regions. It is also necessary to underline the growth of its activities in Lima, above all in the poor districts and in the universities.

But its programmatic limits are evident. It is incapable of bringing into being a broad mass movement that would enable it to make a strategic breakthrough in the war; on the contrary, the gap between it and the organized movement is vast. The counter-insurrection tries to exploit this weakness in the vast offensive launched against the Senderist leaders.

Guerillas attack imperialist symbols

The MRTA has concentrated its forces in a rural region in the north west, trying to recapture its peasant base. Its armed propaganda and its terrorism are aimed at denouncing the presence and symbols of North American imperialism in this country.

Its last central committee, in August 1990, states its desire to change its activity to develop people's power and regain ground lost as a result of the generalization of the war. But its actions do not show notable change. It continues to go in for military operations and pursue its "competition" with Sendero.

The drugs traffic is omnipresent and affects all areas of the nation's life. There are several indications of the links between drug trafficking circles and corrupt elements in the army, this being one of the main points of tension with the US.

Since 1990, the signing of an aid agreement concerning the anti-drugs struggle has been discussed, involving \$160m.

But these negotiations have become bogged down owing to resistance from the armed forces against getting involved in this struggle and differences about how to use the money. Even so, collaboration between the US Drug Endowment Agency (DEA) and the Peruvian police has been intensified.

Developments in the immediate future depend on three key elements: the economic situation, the political crisis and the progress of the war.

On all these terrains it is necessary to seek to recapture the initiative by organizing the popular and national resistance. ★

4. Montesinos is a placeman of the CIA. He has been named head of the National Intelligence Service (SIN) by Fujimori.

500 years of resistance

HUGO BLANCO is a Trotskyist, a leader of Peru's Party of Mariateguist Unity (PUM), and organization secretary of the Peasant Confederation of Peru (CCP). He is presently a senator.

In the interview of which extracts appear below, he talks about the peasant struggles in Peru and the violence in the country, analysing, notably, the roots and the nature of the Sendero Luminoso (Shining Path) guerilla movement. The interview first appeared in the Peruvian journal, *Tierra Nuestra*.

THESE days it is the fashion to worship the so-called "informal sector" with its "popular entrepreneurs", as the peasants who have emigrated to the cities to make a precarious living are called. This is cited as a proof of the validity of the capitalist system. What do you think?

Peru is a backward capitalist country, but more backward than capitalist.... Because of the policy of buying goods cheap from the countryside and selling them dear in the cities, the peasants are forced to leave. The rural exodus is not soaked up by industry.

The migrants then have to do something; they become small artisans of a new kind. In this way comes into being the "informal sector", which seems to me to be a characteristic feature of the semi-colonial countries. It is one of the curses inflicted on us by imperialism.

■ The existence of Sendero Luminoso, above and beyond your disagreements with its actions, is an important phenomenon in Peruvian society. It highlights the meaning and role of revolutionary violence in the revolutionary movement over the past decade.

Sendero Luminoso is a product of hunger and misery. The situation in Peru is so desperate that all of us feel a bit "senderist".... Sendero Luminoso cannot be defeated because it is nourished by poverty.

However, I do not want to apologize for it, nor do I think that it really represents the mentality of the Andean communities.

I have talked about the collectivist traditions of the peasant communities, and their democratic functioning, which is shown not only in voting but in the hours of debates that precede a decision. These are not the methods of Sendero Luminoso, with its "people's judgements", in the course of which it is the Senderistas who talk and pass judgement and where others have no right to speak and are trembling with fear.

In my eyes, the Senderistas are a bit like Superman or Tarzan, who are not Andean creations! Tarzan is a white man who brings justice to the *negritos* as if the *negritos* could do nothing for themselves. But, worse still, after having "handed out justice" the Senderistas leave the place free to the forces of the state, who kill innocent people. Such massacres have reached big proportions. Sendero Luminoso have killed a unionist in the textile industry, miners, landless peasants at Caneta, activists who had seized land in Puno.

■ What is your view of the United States' "war on drugs" in the Andes?

Once, the North Americans used the bugbear of communism. However, after the events in Eastern Europe and the rapprochement between Washington and Moscow, this is no longer credible. So new bugbears are needed; hence the "war on drugs".

I have grown coca, and consumed it



when I was in the Andes. I add the last clause so that the police do not think I can be arrested for this; it is not illegal to chew coca in the Andes.

Coca is a part of our culture. It is an indigenous plant, in the first place a medicinal drug. It is also used in certain

rites. By chewing it (*Pickchay*) we do not absorb the cocaine, which does not dissolve in saliva, since we spit out the *ccan-chu*.

Finally, the gringos arrived to "bring civilization" and started drugging themselves on cocaine. They then prohibited us from cultivating and consuming coca. It is a bit as if there was an epidemic of tannin and caffeine abuse, so that the English were forbidden to drink tea or the Swedes coffee. Neither the English nor the Swedes would tolerate this infringement of their rights.

Why should we cease growing a crop that has been grown traditionally? Today, there is a state monopoly which buys at a very low price the coca produced at La Convencion, then sells it a high price in the Andes, as well as limiting production.

This struggle against coca cultivation, or for that matter against the *paqueteros* (who sell small quantities of cocaine paste) is just a smokescreen. In reality, people in high places in the US are involved in the drugs traffic. The same is true here. I have been asked what I think of the links between Sendero Luminoso and drugs.

My reply was that it seems that such links exist, but no more so than links with certain politicians, among them the former president of our parliament, or another who was a deputy at the same time as myself. At the time we stated that there was a cell of drug traffickers in parliament. The same is true of the military.

... In the south of the Andes, it is possible that some of the coca is going to the drugs' traffic, but this region traditionally produces for local use. On the other hand, in the north east of Peru, in Amazonia, coca growing has appeared along with cocaine production. Furthermore, in the United States and Europe, the laundering of coca dollars and coca is a lucrative business. You can see in North American magazines adverts for utensils for taking cocaine...

■ Finally; how do you feel about the 500th anniversary of the Spanish invasion of the Americas, which will be celebrated in 1992?

Five hundred years ago these people came to massacre us, rob us and suppress our culture. The descendants of the mass murderers continue to commit mass murder. The Quechua language remains ignored, above all in the state. It would be a step forward if it had even the rights accorded to Guarani in Paraguay.

The descendants of the invaders are planning to celebrate the beginning of the massacres, the robbery and the suppression of our culture.

Obviously, we, who were on the receiving end, reject these festivities; we will instead be celebrating 500 years of resistance and the continuing struggle for our liberation. ★

Anti-abortion crusade meets resistance

THE young Polish democracy is being undermined, on the one hand by the desire of the new political elite to restore capitalism, and on the other by the desire of the Catholic church to impose a confessional state.

ZBIGNIEW KOWALEWSKI

ON May 16, 1991, the Polish parliament discussed whether to maintain or to abolish the right to abortion. This was the last moment for Poland to fulfil the desire of the country's bishops and clerics and give a big gift to Pope John-Paul II, who was visiting his native land by becoming the "protector state of the conceived child" setting an example to Europe and the whole world.

As Catholic women have commented: "if the Holy Father could get pregnant, abortion would be a sacrament." Under pressure from both sides, the majority of the deputies decided to support the last minute proposal from the Democratic Union of former prime minister Tadeusz Mazowiecki and postpone the decisions indefinitely.

The draft law to ban abortion was launched in autumn 1988 by a group of Catholic deputies from the satellite groups of the ruling bureaucracy (see *International Viewpoint*, no. 165, June 12, 1989). After Solidarnosc' victory in the partially free elections of June 1989, the defence of this project was taken up with great energy by a new force in the Diet and Senate (the two houses of the Polish parliament). This was the National Christian Union (ZChN), a small but energetic party of the radical right some of whose representatives were elected on the lists drawn up by Lech Walesa.

Church pressure on members of parliament, many of whom had been supported by the priests in the elections, as well as the vote by Solidarnosc's national congress for a resolution in favour of "protection of the conceived child" resulted in the Senate adopting the draft in September 1990. This vote was a warning that the right to abortion was in grave danger.

For the Church and clerical circles, this vote was a big boost, all the more in that at much the same time the Mazowiecki gov-

ernment restored courses in the catechism in state schools. This measure was taken by means of a simple "instruction" from the Ministry of National Education, going around parliament and violating the constitution. When this was taken to the Constitutional Court, the Court backed the decision, an even more scandalous assault on a basic law, which, being Stalinist, lacked credibility. It is absolutely clear that Mazowiecki made this concession to the Church in the hope of getting the Episcopate's support for his presidential candidacy against Walesa.

Persuaded that the road to a confessional state now lay open before it, the ecclesiastical hierarchy stepped up its crusade against abortion, contraception, secularism in public life and the separation of church and state. Parish activists and young Catholic militants mobilized to buy up contraceptives and destroy them, or put pressure on chemists not to distribute them. Using confidential instructions, the ministry of health set about winding up World Health Organization contraception programmes and put a stop to the distribution of high quality pills and coils supplied by European Community institutions.

Shortages of contraceptives

In a country where bureaucratic management has led to severe shortages and low quality for contraceptives, the effects have been disastrous. Without waiting for a vote on the law, Mazowiecki authorized hospitals to refuse abortions, while making it obligatory for women to come before two commissions, and writing in a conscience clause for doctors. The result has been the death of women owing to back-street abortions. This March seven new born children were found dead in dustbins.

For its part, the Diet commission in charge of preparing the definitive version of the law stiffened the project adopted by the Senate. This time, it was not just a matter of penalizing doctors, but of making it an imprisonable offence for any woman to obtain an abortion on her own initiative, whatever the circumstances, even if the pregnancy was caused by rape or threatened the woman's health. The draft also banned the use of pills and IUDs, which the church considers as "abortive means".

All opinion polls reveal that more than 60% of Poles support the retention of the right to abortion, and that in the working

class milieu the support is much higher, often going above 90%, counting both women and men. Thus it was clear to everyone that if the draft law were submitted to a referendum it would be defeated. But the Diet refused to submit the proposal to a referendum, instead going in for a "social consultation" exercise borrowed from the arsenals of the old-style "socialist democracy". The citizens were invited to write in their opinions on this subject to the Diet. While in the bad old days it was up to the PUWP (Communist Party) apparatus and its transmission belts to ensure that the consultation came up with the right results, it is now the structures of the church and its many relays which are in charge, employing the same kind of pressures on the masses. During mass the priests were demanding signatures on anti-abortion petitions with the threat of exclusion from the Christian community. In schools, even primary schools, the catechism teachers were urging their pupils to sign "to prevent the Communists from murdering babies." Ignoring the protests of psychologists, they showed children a horrible American "pro-life" propaganda film.

Bogus consultations

Some 1,700,000 people took part in the "consultations", 89% of whom were in favour of the ban on abortion. However the number of signatures gained on the anti-abortion petitions was not very impressive compared to the total number of Catholics — the overwhelming majority of the population — and despite the immense efforts of the church apparatus.

In Lodz the consultation resulted in a crushing defeat for the church. This traditionally Catholic industrial city is presently governed by the National Christian Union, which exercises a strong pressure on the regional leadership of Solidarnosc. However here the result was the opposite of the national trend, with 84% of those who took part in the consultation expressing support for the right to choose.

This was because here the Solidarnosc enterprise commissions, the former official union, the OPZZ and the Women's League (an organization of the *ancien regime* which retains a working class base) launched their own petitions in opposition to the church amongst the city's women textile workers. The Lodz result went a long way to exposing the whole operation.

The church's offensive is not having the effect its sponsors hoped for. The understanding that the right to abortion and secularism in public life are important democratic achievements, which are now in danger, is spreading in this Catholic society. Anti-clerical sentiments are spreading in the working class, the youth and the intelligentsia. Slowly but surely opponents of clericalization are beginning to dare to speak up in the media. The

present government is in the hands of a small radical pro-market party, the Liberal Democratic Congress, which, while supporting the restoration of capitalism, is also characterized by a relatively independent attitude to the church and a secularist outlook.

Sensitive at this level to the pressure of public opinion, the government has sacked a state prosecutor who denigrated atheism and a vice health minister who condemned homosexuality and tried to put a stop to the production of contraceptives.

The abortion issue is having an important effect in shaking up the Polish political and ideological scene. Two examples: the first is the spectacular break of Zbigniew Bujak, a former leader of underground Solidarnosc, with the Democratic Union. This party, a regroupment of diverse elements, going from the former "secular left" to the new "democratic right", was unable to reach a position on the abortion issue, all the more so in that its leader, Mazowiecki, is the man responsible for opening the door to the clericalization of public life. This was one of the reasons for Bujak's split and his foundation of a party with a social democratic bias.

Women's parliamentary circle

The second, equally significant event, is the formation of a cross-party women's parliamentary circle, under the presidency of Barbara Labuda, herself a member of the Democratic Union. This circle aims to oppose men dictating laws concerning women and promote the election of defenders of women's rights to parliament.

Pressure from democratic public opinion in Western Europe has a very important role to play in the battle for the right to choose and against the clerical offensive in Poland. President Walesa was questioned on this issue by several personalities from the French Socialist Party on his visit to France. Leaders of some West European trade unions have also approached Walesa and the Solidarnosc leadership over the issue. The French Family Planning Movement has initiated a campaign of solidarity with Polish women taking the form of the sending of thousands of postcards to Polish deputies. A motion has been adopted by the Council of Europe inviting Poland "which wishes to rejoin the European family" not to adopt legislation which "other European countries have for a long time banished from the statute books, as archaic and showing little respect for human rights."

There can be little doubt that it is such pressures that have led Jacek Kuron to revive the demand for a referendum. A leader of Mazowiecki's party and a former minister in his government, Kuron has pointed out that the Diet's vote in

favour of a ban on abortion against the will of the majority of public opinion, could be the spark that ignites the social tensions created by the pro-capitalist course of the new elite. Kuron's initiative drew down furious attacks from the clerical right and a virulent reaction from the church.

The bishops' conference condemned the idea of a referendum on the grounds that divine laws could not be subjected to a popular vote. It has called abortion the second Auschwitz, suggesting that the supporters of women's right to choose are comparable to the overseers of the Nazi concentration camps. *Gazeta Wyborcza*, a mass circulation daily edited by Adam Michnik, for the first time denounced the ideological terrorism used by the bishops. On the other hand Kuron, the main target of the reactionary campaign, immediately took a low profile. Engaging in an about turn of a kind in which the leaders of the new Polish elite are specialists, he explained publicly that he is against the right to abortion, but that it is necessary to convince the people that the draft is just and get popular approval for it.

Pressure of public opinion

Gripped by panic and scared of a clash both with the church and society, the Democratic Union then proposed that the Diet wash its hands of the matter; neither vote now, nor hold a referendum, but wait for better times. Despite the obvious opportunism, this attitude shows that the pressure of national and international public opinion can affect the decisions of the Polish authorities. But the Diet's decisions also represents a danger; already the Democratic Union is preparing a new, more flexible, draft anti-abortion law with the aim of both satisfying the church and neutralizing social pressure.

The abolition in Poland of abortion and contraception rights would have serious consequences throughout Europe. International solidarity with Polish women is urgently needed, in particular to aid in the building of an independent mass women's movement there. Faced with the socio-economic crisis, their massive return to the home, unemployment, the male monopoly of public life and the clerical offensive, they have to overcome great difficulties if they are to mobilize in defence of their material and moral interests.

There is no tradition or experience of a women's movement that puts forward demands or of exercising the right to self-determination. Without substantial support from Western feminism, they will have an even harder job turning the balance of forces in their favour. ★

The fate of an independent women's movement

ON the eve of International Women's Day the second national (GDR-wide) Congress of the Independent Women's Association (UFV) opened in Leipzig's Women's Centre. 163 women from the east and 16 from the west attended for three days (as observers or guest speakers), to discuss the Association's perspectives. Many brought children with them — a difference from the Federal republic, where few feminists are mothers. This account first appeared in the May 5 issue of the east German revolutionary Marxist publication *Avanti!*.

PAULINA WEISS

THE UFV is only 18 months old. The account that different women gave of its work until now was on the one hand of a constructive effort (in the initial phase) and on the other of discouragement (in the period after the re-unification).

In a very short period of time a whole network of women's projects were set up; women put forward proposals from a feminist perspective at the Round Tables; equality in state representation was established and a UFV representative was delegated to the East German council of ministers, the UFV stood in elections and won representation in the communal parliaments and the national parliament.

Eva Schäfer wrote in the congress documentation: "The UFV was an independent political interest group with GDR-wide scope. It openly strove for a feminist view

of social questions, which had to be taken into account by parties and organizations. In this period it was an important political instrument; its all-GDR organization, bringing together women of different party, ideological, religious, national and sexual orientations, gave it the strength to make its proposals really effective. Women's projects put forward their demands for material support with the backing of a political force that had a recognized place in the political landscape."

Does this seem too optimistic? A little later she adds: "UFV representatives faced the danger of becoming token women for political parties eager to annex women's issues. Here there would be a narrowly defined sphere of feminist activity and this activity would be supportive of the system rather than subversive. Women's projects wanted free space where women could discover themselves and create a women's culture. But they were being turned into instruments for use as safety nets for an anti-social society."

Harmless Greens

Has the UFV already been integrated? Is it doomed to become as harmless as the West German Greens? Is there nothing more to demand than equal rights to exploitation?

Anett Gröschner from the Lila-Offensive:

"After the chase from one election to another we have had to recognize that we are in the minority, even among women. We have lowered our voices and begun to live in the new conditions. We have learnt to use spray cans, some think of suicide, others of planting bombs; we find no third way. The women's groups organize coffee mornings, the projects fight with each other, and once again there are those on top and those underneath."

This seems like an announcement of the end of an independent women's movement. Some say that the hour of the UFV has passed and that it should draw the conclusions and wind itself up. Perhaps it has run aground on the contradiction between utopian radicalism and the disillusionment of ordinary life.

Anett Gröschner: "Our pages-long proposals for a new, more equal society have become so much paper and after one year are source material for the historians. We grimace when we read what we wrote then, and say: utopian! Nothing remains of all that. Instead guerilla warfare has begun over the remaining gains for women: abortion and nursery provision. And day after day women are losing their jobs, without an organization such as ours being able to make the slightest difference. Our role, it seems, is to control women and get the misery off the streets so that no one sees it. We are to clean up behind a state and society that are throwing the consequences of their policies onto women."

The UFV considers its present structure as insufficiently resistant to the incursions of the the patriarchal West German state. Many women have dropped out of the association. Others react by becoming anti-political. There are already categories — Politwomen, projectwomen, Deskwomen. They are beginning to drift apart and contacts become rarer. Some want to see more serious work in parliament, others look to the extra-parliamentary struggle. Some demand money from the state, others avoid state money, because it always serves state interests and is there to calm down the potential protests of women. Still others remember that state subsidies are not a gift of the state since they are paid for by taxes; the money belongs to us.

There was discontent over the fact that those who were best able to work in the UFV were women who had more self-confidence because they had already learnt how to operate in male-dominated organizations; women without children and above all women who had started in the structures of the former ruling party, the SED, and its mass organizations. "This had the result that women often operated in the coordinating councils just as they would in their former organizations," according to Anett Gröschner. "Some used the UFV as a springboard, others successfully suppressed their past, which had not been so unpolitical as they made it seem to journalists. And they arranged it so that women who knew about their past would not make it a voting issue, because we were already under pressure not to foul our own nest or get involved in witchhunts."

Mass unemployment

What remains today of the UFV? It has hardly any public presence. At a time when mass unemployment is growing every day among women, when anti-abortion laws are being discussed, when all contraceptives now have to be paid for (previously, pills, coils and diaphragms were free), when nurseries are being closed, the UFV has been marginalized and lost its political weight.

According to a women from Jena: "We have now lost our contacts with the Politwomen and the representatives. All that exists now are the projects, but cut off from the political levels of the association."

Also in Neubrandenburg the work falls to a handful who are totally committed. Despite this Birgit Galin was euphoric about an action that took place on March 7: "five thousand women, men and children demonstrated in front of the town hall against the raising of nursery fees. They stormed the main hall shouting: 'resign! We don't want you any more! Why can the Federal Republic find 17bn marks for the Gulf war and nothing for children? Seven billion are needed to

keep the facilities for children.' The mayor had left an hour before. The councillors said that they would decide on March 27. The people called out: 'then we will come back again in twice the numbers.' One said 'Tomorrow is Friday'. The crowd answered 'yes, March 8 must be a day of struggle not a holiday.'

"That was a semi-revolution and it was amazing."

State thwarts initiatives

Irina Eckert poured on some cold water: "we got a project for retraining unemployed women off the ground [in which women would be trained on computers]. We had a lot of difficulty in getting money from the state. But the project was ruined because it was boycotted by the unemployment exchange. Women who went on such courses would lose their benefits. And now? The state money is there, but we cannot do anything with it."

Everywhere traps are set and obstacles set up to hinder the UFV and make progress difficult. So projects run into the sand. Now the Association, like all other citizens' initiatives in the Federal Republic, faces the judicial requirement to decide whether to become a political party according to the FRG's law on parties (which does not recognize the category of political association) or a registered Society. This is also a manoeuvre. Whoever does not believe themselves capable of forming a conventional party, or does not want to form one, will be pushed off the political stage. This is a question of life or death for the UFV. It demands a fundamental thinking through of its demands, aims, structures and methods. There were 1,200 women present at the founding congress in December 1989; only 163 at the second congress. A process of political differentiation would lead to further shrinkage.

The UFV must decide whether it wants to be mainly a political association or a loose networking and coordination body for actions and projects, or a social assistance body for women. Eva Schäfer: "If the women's movement wants to have an impact on society, then it must work out clear political ideas.

"In that case, the women's association cannot be a mere umbrella body for the whole spectrum of those who make reference to women."

Between now and September, when the third congress will be held, women have time to consider these questions.

Highlights of this congress were a list of demands from the working group on employment and a petition that was adopted concerning the abortion laws. It includes among other demands:

- General shortening of the working week with no loss of pay as the response to unemployment;
- A guarantee of the funding of all nur-

series after June 1991; adequate old age pensions;

- An end to the subsidy of marriage and a recognition of alternative ways of life;
- Unrestricted rights to abortion; no

time limit; no law 218;

- Payment for abortions by the social security;
- Out-patient abortions;
- Free provision of contraceptive means. ★

Swiss women hold one day strike

IT TOOK until June 14, 1971, for Switzerland to grant the right to vote to women. Ten years later, article 4 of the constitution was changed to read: "men and women have equal rights. The law provides for equality, in particular in the sphere of the family, education and work. Men and women have the right to equal pay for work of equal value."

CHARLES-ANDRE UDRY

A FURTHER DECADE later, the difference in wages for identical or comparable jobs remains at an average of 30-32%, according to official figures. And, following a Swiss parliamentary tradition, the law on the implementation of the constitutional article remains to be worked out, thus leaving the employers a totally free hand to give different names to the same job, depending on whether it is carried out by a man or a woman. The few women workers who have dared to take their employers to court have to produce concrete evidence of the difference in wages; in Switzerland, however, individual salaries are as enshrined in secrecy as banking.

Faced with this situation, the idea of a women's strike took shape, first of all in a narrow circle of women watch and clock-makers, but leading finally to the official proposal for a "women's strike for June 14, 1991" at the October 1990 congress of the Swiss Union Confederation, the majority trade union, connected to the social democracy.

Thus June 14, 1991 — under the slogan "when women cross their arms, the country stumbles" — was an unusual day in a country where "labour peace", and social peace are felt to be national symbols. Several hundreds of thousands of women took part in the protest in a variety of forms.

All out strikes were limited in number, although still more than expected in a situation where the union leaderships had been emphasizing other, non-strike, forms of action. Nonetheless, there were very many work stoppages, which gave women in many sectors of the economy, including commerce, industry, offices, hospitals, social services, universities, and the radio, the chance to do such things as occupy an entrance hall or canteen to discuss inequality, draw up lists of demands, distribute badges, t-shirts, leaflets and so on. The strike had a colour: fuchsia. That day this colour was everywhere in the streets and workplaces.

Employers denounce strike

The most significant aspect was the great number of spontaneous initiatives by women's groups spurred on by the month long agitation of some 99 women's collectives who toured the country. The employers took this seriously and vigorously denounced the strike. They understood that a demand that enjoys such powerful legitimacy could be the motor force behind struggles of a kind that they, along with many union bureaucrats, like to believe belong to the past.

Big demonstrations took place in all the cities. More than 3,000 women occupied the Federal Square in Bern, where the government and parliament buildings are located, preventing a number of luminaries, among them German foreign minister Dietrich Genscher and UN secretary general Javier Perez de Cuellar, from going in to attend the international day in celebration of the 700th anniversary of the creation of the Swiss Confederation through the main door.

On the day the main demands which came up revealed the whole range of forms of discrimination against women: unequal pay and concentration in low wage sectors; professional education (almost all women are directed towards eight professions); difficulties in restarting work after a break; discrimination with respect of professional responsibilities; the lack of nurseries; disadvantages over social security; division of house-keeping tasks and so on.

Official hypocrisy

A poll of both women and men found that 43% considered it justified to use the strike to put an end to the intolerable inequalities faced by women. This is a sign of the support built up for the struggle for equality between women and men and the loss of legitimacy of institutions that write equality into the constitution, but then refuse to implement it.

June 14 was a first round and a success. Declarations from the employers the following day show that they are preparing for round two. They cannot accept a law that reverses the burden of proof in favour of the woman worker embarking on the case, or offers protection against sacking to any woman who brings such a case.

Given the hardening of the employers' positions it is quite possible that a second more massive and more direct mobilization will take form. ★

