

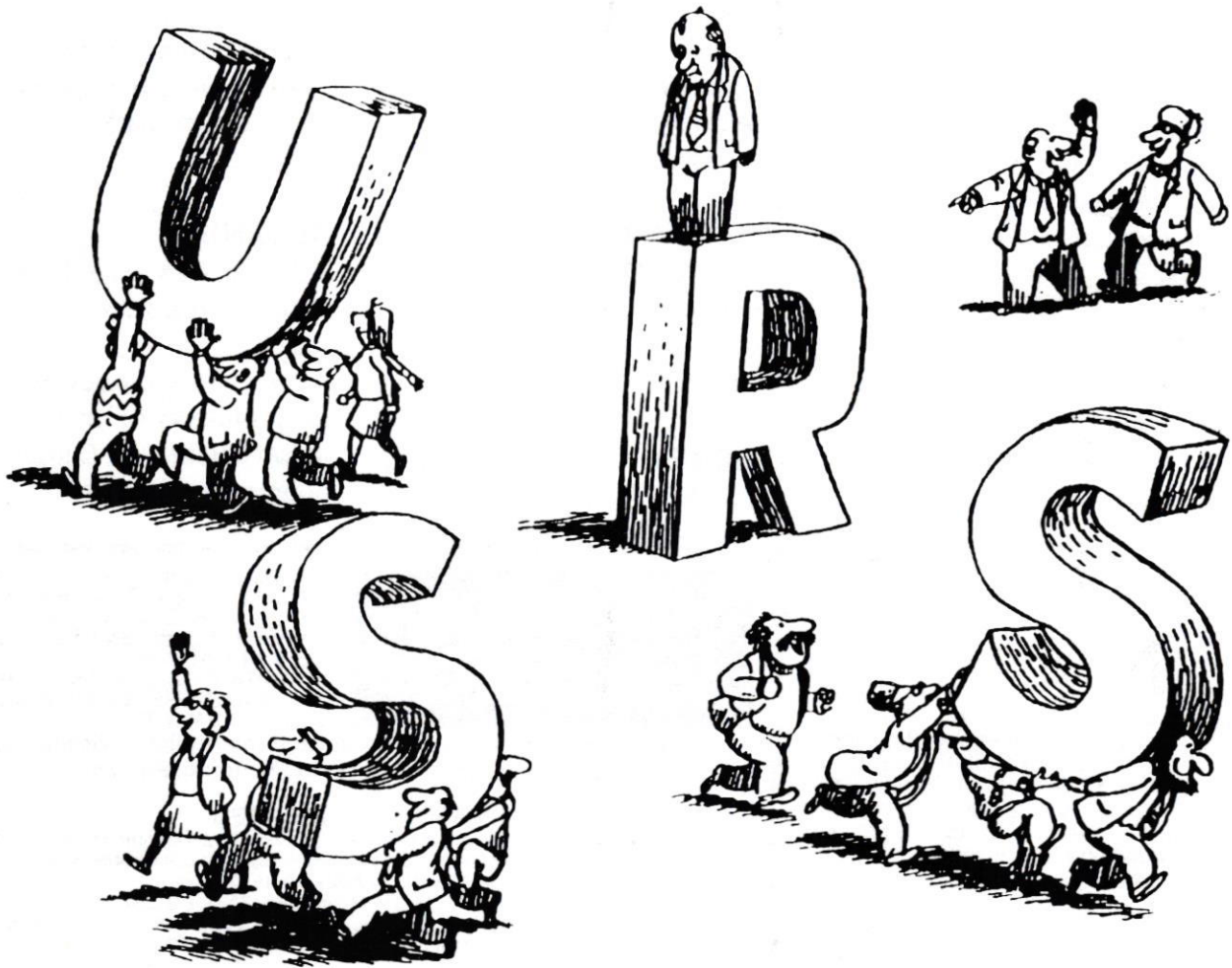
International VIEWPOINT

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The end of Communism?

EVERY left wing activist will have been asked over and over again in recent days: what are you going to do now that Communism's finished? Most, no doubt, will have answered: "more or less what I was doing before."

The notion that it was possible to "construct" a new stage of human civilization by cutting one state off from the rest of the world, murdering critics and forcing people to repeat lies over and over again has, without doubt, been dramatically disproved by history — or, rather, rejected by human beings as contradicting their needs. As the absurdity of "socialism in one country" lands in the dustbin of history, so all the suppressed realities burst through — shown most dramatically in the tumultuous rise of nationalist demands and movements in these countries. But what could be more absurd than to proclaim this, as some pro-capitalist thinkers have tried to do, as the End of History? In fact, it would be truer to say that history is restarting, in the sense that real social questions are once again being openly posed in a vast area of the world where they were suppressed but not resolved.

But, if Stalinism could not abolish social reality by police measures, nor can capitalism's apologists convince people that the daily waste of human lives and potential or the periodic outbursts of barbarism in our world — not to speak of the damage to the environment, are acceptable. And it is social needs and social realities that have made and will make the Marxist tradition an essential resource for those who want to understand and change their conditions. In it they will find the accumulated thinking of all those who have striven for a society where the "free development of each is a condition for the free development of all", flowing, as Marx explained from the "real movement that abolishes the existing conditions".

So, what will *International Viewpoint* do after the "collapse of Communism"? We will continue our efforts to give an accurate picture of social reality and of the "real movements" that arise to change it, but with the difference that our task will be far easier as far as the countries newly liberated from Stalinism are concerned. ★

War in Europe

ON AUGUST 28, 1991 the village of Kijevo (population 1,000), a Croat enclave in the middle of the so-called Serb Autonomous Region of Krajina, ceased to exist, having been razed to the ground by the so-called Yugoslav People's Army deploying aircraft, tanks and howitzers. Following a 12-hour bombardment the population fled to the nearby mountain of Kozjak, pursued by the vengeful aircraft. The village was then looted and set on fire.

MICHELE LEE

A BRITISH TV cameraman filmed an army officer tearing up the board with the village's name and stamping on it with his boots to the cheers of the men around him — men under the command of Martić, once a local police chief and member of the League of Communists and now the Krajina strongman. Characteristically, the destruction of Kijevo had been promised two days earlier in the Belgrade press. The village's only "crime" was that, like so many other villages and towns, it spoiled the image of a Serb-only "Krajina".

In any war, there comes a point when its nature becomes so blindingly clear that only those complicit with the aggressor can henceforth deny it. This point was reached in Kijevo. Kijevo proved beyond all doubt that the war raging on the territory of Croatia is not an inter-ethnic conflict, pitting the rights of the Serb minority against the hegemonic aspirations of the Croat majority, but a war of conquest designed to create a greater Serbia extending over parts of Croatia, Bosnia-Herzegovina, Vojvodina, Kosovo, Montenegro and northern (at least) Macedonia.

Croatia has become the target of an all-out war of a kind not seen in Europe since 1945, not because it contains a Serb minority, but because it is the biggest obstacle to the plan hatched by the Serb-dominated Chiefs of Staff and the leaders of Serbia.

If Croatia falls, then the war will spread into the rest of Yugoslavia. Indeed there are already reports of the war being extended into Bosnia-Herzegovina. The generals are in a hurry. The European Community sponsored peace conference

is due to take place on September 7 and the Serbian regime wants to be in a position to back up its territorial claims by a military fait accompli.

Having failed to re-centralize Yugoslavia under Serb hegemony, Milošević's regime, aided by the Chiefs of Staff, has opted for a Greater Serbia. It welcomes the coup in the Soviet Union, not just for ideological reasons, but above all because it feared that the new Union treaty transforming the Soviet federation into a confederation of sovereign states would be used as model for Yugoslavia as well, since it is more or less exactly what Bosnia-Herzegovina, Croatia, Macedonia and Slovenia had been advocating for a year.

This was openly stated on Belgrade TV by Mihajlo Marković, Milošević's main spokesperson. The Serbian regime does not wish to be part of any structure that it cannot dominate.

Methods similar to Hitler's

Milošević has justified the annexation and wholesale incorporation of other republics and provinces by his concern for the fate of Serb minorities. This is how Hitler once justified the annexation of Austria, the partition and occupation of Czechoslovakia and the attack on Poland. Like Milošević, Hitler also spoke of the need for all Germans to live within a single state. The methods used to de-stabilize these countries prior to attacking them were the same: official protests, mobilization of a section of the minority, blocking of any alternative to war and assurances to the European powers that this was the way to a lasting peace.

To be sure, Serbia does not have the clout of Hitler's Germany and its victims are "only" small local states. Yet, unless the Serbian regime is stopped and stopped soon, the war will engulf the whole of Yugoslavia and spill beyond its borders. Why should Serbia, its neighbours will ask themselves, be the only one allowed to expand? 600,000 Serbs living in Croatia form a much smaller percentage of the total population than 2,500,000 Albanians living in what used to be Yugoslavia, or 2,000,000 Hungarians living in Romania. Pressure on the Hungarian government to protect the Hungarian minority in Yugoslavia (thousands of whom have already fled into Hungary) is growing by the day. The Albanian intellectuals in Kosovo speak of a Serbian-Albanian war in 1992 as inevitable. There are many such poten-

tial claims throughout Central and East Europe. If Serbia is allowed to expand by force of arms, then an arms race in the region as a whole will become inevitable, destabilizing much of Europe for the foreseeable future.

Milosevic's regime came into being in 1987, following a coup within the then ruling party, the League of Communists of Serbia. A purge of thousands of party and state functionaries, liberal intellectuals, and independently minded enterprise managers, was conducted in close synchronization with the overthrow of the governments in Vojvodina and Montenegro (then similarly purged) and a military occupation of Kosovo, whose assembly and government were simply eradicated.

The ideological argument for this entire aggressive strategy was provided by the Serbian Academy of Arts and Sciences, which insisted that Serbs were threatened by their neighbours and that the post-war federal system was inimical to Serb national interests.

Morbid propaganda

Ever since then, the Serb population has been exposed to a morbid propaganda in which the allegedly "tragic" Serb history and Serb war graves are prime ingredients. The Ottoman invasion, the Balkan Wars, the First and Second World Wars — all are presented as little more than a plot against the Serb nation.

Dobrica Costa, a writer of turgid historical "epics", often proclaimed as the spiritual "father of the nation", announced to all Serbs that now their last chance had come, and missing it would lead to their obliteration as a nation for ever.

After Kosovo, Slovenia and Croatia will come Bosnia-Herzegovina. Such facts as that 90% of the Kosovo population is Albanian, or that only 17% of the population of the Croatian province of Eastern Slavonia — scene of the most intense fighting over the past month — is Serb make no difference. Nor does it matter that the "Krajina" is an ethnically mixed area, which does not even border on Serbia; that Bosnia-Herzegovina is in the majority non-Serb; that 70% of the inhabitants of Montenegro declared themselves non-Serb at the last (April 1991) census; that northern Macedonia contains only a handful of Serbs. In the eyes of the Belgrade regime these are all "ethnic and historic" Serb lands. This means war now and war in the future.

In those parts of other republics earmarked for inclusion into Greater Serbia, the conflict cannot but escalate into total war, targeted directly and in the main against the local population. A BBC report of the army attack on the Slavonian town of Osijek describes the devastation of this city of 150,000 people wrecked by incessant bombardment from heavy artillery and air attacks. The city is being systematically destroyed and there are many

civilian casualties. The targets are all civilian: hospitals, schools, and ambulances trying to reach the wounded and dead.

The war now being waged by Serbia and the Serbian-dominated army is a classic "dirty war" of the kind practised by CIA-funded armies in the Third World. Its aim is twofold: to expel from the designated area the "wrong" (that is, Croat) population, and to break the will of the population as a whole to resist, thus enabling Serbia to establish its "peace".

Milosevic's strategy is unlikely to work since it offers nothing but slavery to at least two thirds of the Yugoslav population. Indeed, to all of them, since such a "peace" could only be maintained by a military dictatorship.

What is unique about the Serbian regime — at least as far as contemporary Europe is concerned — is its particular combination of strident nationalism with a recidivist Stalinist ideology, embedded above all in the only structures of the Yugoslav "Communist" state that managed to escape the process of democratization: the Serbian Communist Party and the army high command.

The Serbian party avoided the modest democratization undertaken from 1988 onwards in Slovenia and Croatia, where the principle of multi-candidacy for all party posts was introduced. It is this unreconstructed party-state machine that was used by Serb generals to engineer the 1987 coup within the party, with the inevitable consequence of a large-scale purge of all political opponents of the hardline elements.

Last ditch struggle against pluralism

The possibility of any liberal comeback was cut off by the great nationalist surge after 1987, which the party-controlled media instigated and kept going. The Stalinists' victory in Serbia was then used to marginalize and replace all liberal officers of whatever nationality in the Yugoslav army. It is this nationalist back-up which the Soviet plotters lacked. In Yugoslavia, however, the special relationship between Serb nationalism and political reaction was sufficiently strong to challenge the post-war political settlement.

But a price was also paid: first the Yugoslav Communist Party (March 1990) and then the Yugoslav state were torn apart, opening the door to outright military aggression. Serbia has been using the army to expand its borders, but it is the generals who will inherit Greater Serbia.

It is important to recall that the "Serb question" in Croatia was opened not with the electoral victory of Tudjman's party, the Croatian Democratic Union, in April



1990, or even four months earlier with the Croatian Communists' decision to institute a multi-party system. It was exploited for the first time in the summer of 1989, as a crucial component of the Serbian mafia's plot to bring down the liberal wing in the Croatian party.

Had this plot succeeded, a wide purge of Croatian party and state institutions would have followed, which would have aligned Croatia with Serbia thus ensuring a Stalinist triumph throughout Yugoslavia. It was in order to avert this threat that the liberals in the Croatian party presidency conducted their own minor coup in the Croatian party, leading it to accept electoral reform.

The liberals' victory in Croatia ensured that the Stalinists could not win by political means alone. The seeds of the current war were thus sown in December 1989, when the League of Communists of Croatia followed the Slovene example and decided to hold multi-party elections in the republic — a decision which, in turn, led to multi-party elections elsewhere in Yugoslavia.

Unable to prevent multi-party elections, the Stalinist mafia opted for a different strategy. In Serb-inhabited areas of Croatia an immediate local rebellion against the new government was organized by local Communist structures aided by the army, which supplied them with weapons. This gave birth to the Knin "Krajina", whose territory was then extended step by step using threats and manipulation of the population's fear of the unknown.

Something similar also happened in Bosnia-Herzegovina, where in every municipality with a Serb majority — be it relative or absolute — political control was established by strong-arm action. This was then used as a basis to create two further Krajinas, which immediately declared themselves independent of the Bosnian government.

As in the case of the Croatian Krajina, these new structures were immediately militarized, preventing any possible challenge to the new regime, either by the non-Serb minorities or by Serb opponents. The same pattern has since been applied to areas of eastern Slavonia controlled by the army and local Chetnik [Serb nationalist] units.

It is significant that foreign journalists are not allowed to visit these areas, and that the reason for the failure of the EC "troika" mission in late August was Serbia's unwillingness to allow foreign observers into the so-called "liberated territories".

It is now clear beyond any doubt that the war taking place in Yugoslavia is not an ethnic war, but a war of territorial conquest — the first in Europe since 1945. As far as the army operations are concerned, it has been a classical land war in which certain Yugoslav republics — first Slovenia, now Croatia — are treated as hostile countries and their population as the enemy.

What has been surprising has been the lukewarm response by the rest of Europe to the agony of the Croatian population. Serbia has been relying on divisions in the EC, while its propaganda machine busily foments the image of Germany and Austria bent on recreating a kind of Fourth Reich or at least a new Habsburg Empire.

Milosevic is thus counting on European political confusion and inertia to implement the Chetnik plan forged in World War Two for a Greater Serbia (possibly under a Yugoslav name) shorn of all undesirable nationalities: Albanians, Croats, Hungarians, Macedonians, Montenegrins, Muslims, in accordance with the old recipe: kill one third, expel one third and assimilate one third.

Peace conferences

Every attempt by other Yugoslav leaders to form an alternative model for Yugoslavia — that is, as a confederation of sovereign states — has been sabotaged by Milosevic's Serbia. This is why no peace conference, held in Yugoslavia or in the Hague, will succeed unless and until this regime is defeated.

Its downfall can only be envisaged as the result of a combination of efforts; an economic and political isolation of the regime in Belgrade by Europe as a whole, which would aim to underpin and support resistance by the threatened republics and provinces in Yugoslavia itself and, equally important, the growing rejection of war in Serbia itself — whose potential was shown in the massive March 1991 demonstrations throughout Serbia.

The issue of whether a considerable part of Europe today can look forward to war as its future is being decided in Croatia today. The recognition of every one of Yugoslavia's federal members as a sovereign state in its own right, and within its borders as defined by the last (1974) Yugoslav constitution, and safeguards for the rights of national minorities living within them, form the sole basis for a lasting peace. It is also a precondition for a new, voluntary association of the peoples of Yugoslavia. ★

After the conservative coup

The liberal coup?

THE BIZARRE events of August 19-21 in the Soviet Union raise a multitude of questions that cannot be answered with the information now available. One is therefore wary of taking appearances for reality and drawing any firm conclusions. However, on the basis of what is known now, the following analysis tentatively presents itself.

DAVID SEPPO — August 25, 1991

THE COUP came as a surprise to almost everyone. Its astoundingly inept planning and execution almost tempts one to believe that it came as a surprise even to its authors. Of course, there had been much talk of a coup and several coup scares over the past two years. There were also periodic conservative offensives against Gorbachev in higher party bodies. But they all ended in defeat. Meanwhile Yeltsin and his allies moved from victory to victory, gaining strength with every renewed attack by the conservatives against them. This largely explains why, despite all the signals, including a public warning only a week earlier by former Gorbachev aide Yakovlev, the coup caught people off guard.

But in retrospect, both the coup, at least in principle (as opposed to the way it was realized) and its timing are not difficult to explain. In the fall of 1990, Gorbachev abruptly broke off his recently formed alliance with Yeltsin and the liberals and moved towards the conservatives, both in his policy, but especially in the appointment to high positions of several conservative figures, some of whom later led the coup.

Gorbachev's shift was partly motivated by his fear of the social and economic consequences of the liberals' proposed "shock therapy" (the "500-day plan"). But in light of the events of August 19, it seems probable that, like Allende in the months preceding his overthrow, Gorbachev was trying to avert a break with the conservatives and the possible threat of a coup by bringing their representatives into the govern-

ment and making certain policy concessions to them. It was these moves that provoked Yeltsin's "declaration of war" against Gorbachev in February 1991. For the first time, the liberals began calling for Gorbachev's ouster.

Gorbachev liked to describe himself as a "centrist" figure. In the increasingly polarized Soviet reality, this meant that he had no appreciable political base of his own. If he remained unchallenged for so long as leader, it was because both liberals and conservatives believed they could use him. The liberals saw in him the leader of the reform wing of the bureaucracy, with whom they wanted an alliance, and a man who, given his past and leadership of the CPSU, could keep the conservatives

— and especially the apparatuses of repression — under control. The conservatives, despite their distaste for his reforms, had no alternative program of their own and saw in Gorbachev a man of some domestic and international political stature who could serve as a rampart against a total liberal victory.

Caught between the liberals and conservatives

When Gorbachev embraced the liberal programme in the summer of 1989, he lost his value to the conservatives. Conservative pressure mounted and along with it the danger, overt or implicit, of a coup that convinced Gorbachev to move back to the centre (which no longer existed). When Gorbachev appeared to be making common cause with the conservatives, it was the liberals who turned on him.

Unlike the conservatives, they could not back themselves up with the threat of armed force, but the miners, for reasons that only partly coincided with liberal aims, struck for most of March and April demanding the resignation, not only of Gorbachev, but of his government and the Soviet parliament. In this, they were joined by a significant number of workers from other sectors and regions, most notably the Byelorussian workers, who struck in April.

Faced with mounting political pressure, the evident failure of the government's economic policy over the past months, and the accelerating general disintegration of the country, Gorbachev and Yeltsin struck a new deal. This took the form

of the April 23 "declaration of ten" between Gorbachev and the leaders of nine republics, promising a union treaty with a heightened role for the republics and new democratic elections to the Soviet parliament. It also made clear that adherence to the union would be strictly voluntary. Finally, the document called for an end to political strikes and the strict observance in the interval of all existing laws.

Negotiations led to a draft of a union treaty that left a very weak central government, whose powers even to collect taxes were in doubt. While there were many interests involved in the coup, the interests of all the major participants were closely bound up with the preservation of the integrity of the USSR. This was the unifying element of the conspiracy.

The new Yeltsin-Gorbachev alliance completely eliminated any use the conservatives had for Gorbachev. A legal coup was attempted on June 17 when Prime Minister Pavlov, one of the original eight coup leaders, asked parliament for extra powers to deal with the economic crisis, powers that would obviously be taken from Gorbachev.

Three other future conspirators, KGB head Kryuchkov, Interior Minister Pugo, and Defense Minister Yazov, all supported Pavlov. In his speech, Kryuchkov spoke of a CIA plan to undermine the Soviet Union and the illusion of aid from the Western powers, who viewed the Soviet Union's collapse as inevitable. Gorbachev counterattacked, calling Pavlov's request ill-conceived and charging conservative forces with trying to destabilize relations between the president, the government, the parliament and the republics. Again, Gorbachev won the battle in parliament.

Attempt to prevent signing of new union treaty

Legal means having failed, only force remained. The coup was apparently timed to catch Gorbachev on vacation and to prevent the signing of the union treaty scheduled for August 20. The conspirators seemed concerned to maintain a constitutional facade.

Besides the Prime Minister and the heads of the main apparatuses of repression, the plotters included Vice President Yanayev, former head of the trade union federation, who took over from the "sick" Gorbachev. Yanayev personifies the conservative wing of the civil administration, people lacking the skills to emerge from the period of reform with their privileges intact, if transformed (the trade union apparatus had traditionally been the dumping ground for mediocre bureaucrats). Starodubtsev, president of the Farmers' Union, was probably meant to represent the agricultural sector, and above all its conservative managers.

Baklanov, first deputy of the Defence Council, was a known opponent of defence budget cuts. Tizyakov, President of the Association of State Enterprises, was the industrial counterpart of Baklanov.

The biggest unanswered question of the coup is its amateurish organization. No important potential opponents of the coup, except Gorbachev, were arrested. Five hours passed between the public announcement of the coup and the first appearance of the armed forces in Moscow. The coup leaders did not assure control of transport (for example, the international airports continued to function more or less normally), telecommunications (foreign media, amazingly, called into the besieged Russian parliament and broadcast from it; the national television news programme on August 19 even reported Yeltsin's call to resist the coup, as did *Pravda*) or the electric power grids (the defenders of the Russian parliament themselves turned off the electricity to black out the building).

To explain all this away as "errors" is hardly convincing. The KGB may be many things, but it is not amateurish. It might be that the conspirators were indecisive, a fatal flaw in any coup, because they had failed to assure the loyalty of the main apparatuses of violence, and especially the army.

Army commanders fail to support coup

From the start, key senior military officials did not support the coup, including the commander of the air force, the top naval commander in the Baltic fleet based in Leningrad, the commander of the Leningrad military district, a senior commander of the airborne forces, whose elite troops were critical to the coup's success, commanders of two of the four guards divisions of the Moscow district. The overwhelming majority of army officers seem to have remained neutral.

But this does not yet explain why, despite this critical weakness, the conspirators proceeded. One hypothesis is that they felt that, given the profound dissatisfaction in the army and population with the general situation in the country, they could present the country with a fait accompli and the rest would just fall in place.

Indeed, "coup" may not adequately describe what was attempted, since the entire government, except Gorbachev, seems to have participated in it. Except for the appearance of tanks in Moscow, government business went on as usual. But one has to admit that there still is no satisfactory explanation for what took place.

Already on the second day of the coup, Pavlov and Yazov had dropped out. Conservative political opposition forces,

like the Soyuz fraction in the Soviet parliament, did not support the coup. Its leader, colonel Alksnis, said that he sympathized with the aims of the coup but could not accept its illegality (despite this, the Latvian government has issued a warrant for his address).

All the conspirators were party members, but the party bureaucracy as such was not represented among them, reflecting the drastic decline in its political power over the past years. During the coup, the CPSU leadership did not take a public stand, though towards the end, deputy general secretary Ivashko demanded to be allowed to see Gorbachev. In some republics, like Latvia, however, the party leaders openly supported the coup.

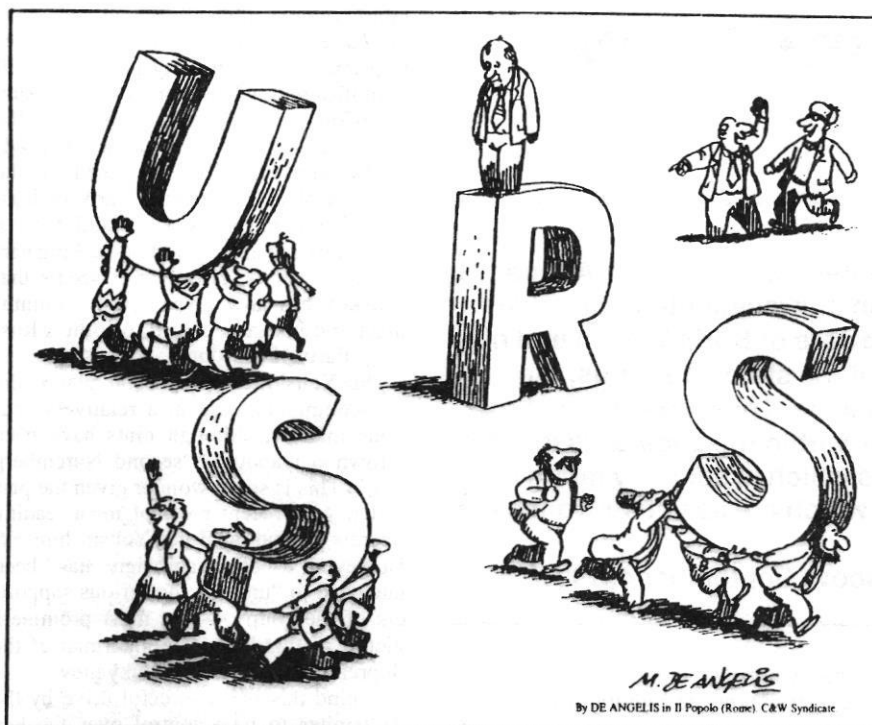
It was the political weakness and the internal divisions among the conspirators that played the key role in the coup's rapid defeat, not, as the Soviet and foreign media are claiming, Yeltsin's heroic defiance or popular resistance. Yeltsin's real role appears to have been limited to his public statements of defiance. He thus constituted a symbol of resistance and a legal rallying point for waverers and opponents of the coup.

This certainly required personal courage on his part, though to act otherwise would have spelled the end of his political career. It is also probable that, by the time the tanks appeared and Yeltsin made his first public statement, over five hours after the coup had been announced, he already knew that it was in serious trouble and that many military leaders were refusing to join it. Early statements by the US President indicate that US intelligence knew this.

Yeltsin's call to a general strike apparently went unheeded, except among the miners and in a few Sverdlosk factories. It seems that neither he nor his government took any practical steps to organize the strike. It is indeed puzzling that on the very first day of the coup Yeltsin should have called a special session of his parliament for August 21. Had the coup not ended so quickly, the only result would have been to have greatly facilitated the arrest of those deputies foolish enough to show. A more logical move would have been to ask deputies to remain in their districts to organize popular resistance.

No attempt to mobilize population

There is so far no evidence that Yeltsin took any practical steps to mobilize the population. The crowd that assembled spontaneously in front of the Russian parliament, perhaps 150,000 at its peak (compared to the million or so in Tiananmen Square), but most of the time around 20,000, became the focus of Western media attention. But it would not have presented an important obstacle



to a more decisive coup leadership, even one wishing to avoid excessive bloodshed. All that was required was to cut communications and power to the building, which could then have been isolated and ignored while control over the rest of the country was consolidated.

Except for the three deaths, the entire episode had the unreal air of political theater. But if the coup was a farce, what followed was more like a Broadway musical extravaganza, replete with a fireworks display, a giant pre-revolutionary Russian flag floating through Red Square, the toppling of statues by construction workers, and a 100,000 strong chorus line to back up the star, Boris Yeltsin, who defeated the forces of evil almost single-handedly by the sheer force of his goodness and will power. Symbols are crucial in politics, and contemporary Soviet politics on the popular level are almost all symbol.

Of course, Yeltsin and the liberals emerge from these events greatly strengthened. On the second day of the coup, a somewhat cynical observer in Leningrad predicted that a liberal coup would surely follow the conservative one. Already presidential decree follows presidential decree. There is no real opposition.

The conservatives, very weak to begin with, as the coup showed, are finished as a political force. This includes the Communist Party, which was presented afterwards by Yeltsin to parliament, rather unjustly, as the real author of the coup. It did not take long for Yeltsin to suspend the activities of the Russian CP. In the Baltics it has been outlawed. Gorbachev, who pathetically declared his loyalty to

the party after the coup only to call for its dissolution soon after, retains no power base at all, except what the republics are willing to give him. That will be very little — even the army will now probably be divided among the republics.

The latter are going to have a fine time sorting out their relations. Yeltsin's supporters are cultivating Russian national sentiment. The other republics, all much smaller than Russia, may find their relations with a nationalist Russian giant even more difficult than those with the former central government, which at least had a certain commitment to redistributing wealth to the poorer regions (now condemned as "levelling"). Yeltsin's people at once demanded that the USSR president be a citizen of the Russian republic and they began to appoint their people to critical Union posts. This threatens to accelerate the breakdown of the union and the collapse of economic ties between the republics which will lead to truly disastrous consequences in this monopoly-dominated, highly integrated economy.

It should also be remembered that Russia itself is a multi-ethnic republic. Pre-1917 Russia, whose flag is now being paraded through Moscow, was known as the "prison of peoples". On August 21, Yeltsin pointed out to his parliament that the leaders of the Tatar Republic, a territory of five million people in the Russian republic that has declared its independence from Russia and desires to be a direct member of the Union, had sided with the coup. Nor was Tatarstan alone in this.

The coup was not defeated by popular

mobilization, which was really quite minimal. A crucial question is why. Even the Moscow crowds celebrating the coup's defeat hardly surpassed the same 100,000 mark that has been reported for virtually every major pro-Yeltsin demonstration. What are the other 8,900,000 Muscovites thinking? And the tens of millions elsewhere? Why did workers, except for the miners, not go on strike? Should this be attributed to political lassitude and apathy, a sense of political impotence, or ambivalence about the coup as well as about the opposing Yeltsin camp?

According to one report, workers in many Leningrad enterprises said they were prepared to strike, if the need arose. In Moscow's factories, nothing much at all seems to have happened. Perhaps this wait-and-see attitude reflects the people's sense of the coup's weakness, since there were almost no outward signs of it.

These questions are crucial because the next months will see the accelerated introduction of market reform. The fact that the coup was defeated without a mobilization on the part of the workers strengthens the autonomy of Yeltsin and the liberals in this area: they are, for the moment at least, less dependent on working class and popular support and will soon even have their own loyal bureaucracies and forces of repression in place. They are indeed well placed to attempt their own coup.

A convenient scapegoat disappears

On the other hand, it will no longer be possible to blame the deteriorating economic situation on the Communists and on the absence of "real" reform. There will no longer be conservative provocations to bolster the liberals' flagging popularity.

The market reform will cease to be an abstract symbolic issue for workers (the promise of Western wages and living standards), allowing them to define more clearly their attitudes towards it on the basis of the concrete experience of its functioning and consequences. It is also possible that the coup's defeat, despite the limited popular mobilization, will leave the population with an increased sense of its own strength and political efficacy, something the past five years of economic decline have been unable to do.

Will the population remain an essentially passive spectator to the coming transformations, as has been the case so far in Eastern Europe? Or will it follow the example of the miners, organize in defense of its interests and become the author of its own destiny? These are the key questions that will be answered by the new chapter in Soviet history that was opened by this failed coup. ★

Yeltsin extends his power

THE inglorious end of the attempted coup d'etat on August 21 has opened the floodgates for an unprecedented offensive from the liberal-democratic followers of Boris Yeltsin and his "Democratic Russia" throughout the state apparatus, the media and most spheres of social life. These two weeks have altered the relationship of forces within the apparatus in the most striking manner; a process which is still very much in the making and the contours of which are as yet far from clear.

POUL FUNDER LARSEN — Moscow, September 4, 1991

YELTSIN, riding high on popular anger against the putschists, struck his first blow at the apparatus of the CPSU with a decree suspending the party's activities in the Russian Republic. This move was followed in other republics, in some of which the party was outlawed altogether. At the same time Yeltsin banned the party's publications, including mass circulation dailies like *Pravda* and *Sovetskaya Rossiya*. A few days later, on August 25, he went on to decree the wholesale nationalization of party property in the Russian Republic — real estate, print shops, and cars all included. Similar decisions have been taken in the Ukraine, Byelorussia and Kazakhstan.

This in turn has ignited a fierce struggle among the different bureaucratic structures hoping to get a share of the CPSU property — the apparatus of the government of the Russian Republic, the Moscow and Leningrad city councils and what remains of the apparatus behind Gorbachev. This "nationalization" has not been subjected to any democratic or popular control and in reality it amounts to a massive redistribution of wealth and power within the bureaucracy.

The stakes are indeed very high. In the city of Moscow, the CPSU's real estate adds up to one million square metres — the Central Committee building in the city centre is 174,000 square metres and has an estimated value of a billion roubles.¹ Rival claims for this building have been made by the Russian Republic Council of Ministers (who want it as their offices) and by Gavril Popov, the Mayor of Moscow (who wants to rent the building to private — primarily foreign — firms). As one former CPSU apparatchik maliciously remarked: "It is strange that this is being done by people who have recently spoken so warmly about the 'sacred right to property'." In my opinion,

this is not just. Actually it is an illegal suspension of the activities of our party. Such a step is not envisaged either in the Law on Social Organizations nor in the Constitution of the USSR, but only in the Law on the State of Emergency. So it now seems we are living under the conditions of a state of emergency."²

Meanwhile the CPSU leadership has been totally paralyzed since the end of the coup, exhibiting its political bankruptcy: in the first ten days after August 21 not a single meeting of either the Secretariat or the Politburo was convened. For the time being it is impossible to assess what remains of the party, which is under strong pressure to dissolve. One high-ranking official of the Moscow Soviet spelled out the message to the former party bureaucrats in a very clear manner: if the party decides to dissolve the Mayor of Moscow will offer them cooperation in getting them new jobs and in paying temporary allowances — and if it doesn't there will be nothing.³ This is an offer that most of the estimated 150,000 unemployed party functionaries cannot refuse.

Credibility of Communist Party collapses

At the same time whatever remained of the CPSU's credibility has been dealt a devastating blow by the support given the many high-ranking party officials including the first secretaries of the party in Moscow in Leningrad, Yuri Prokoviev and Boris Gidasov.

It is unclear what remains of the party — but it is clear that it has nothing like the 15 million members it had before the coup. Some of the conservative forces (the Bolshevik Platform of Nina Andreeva and the Communist Initiative) are likely to find a rallying point in a

conservative publication, perhaps *Sovetskaya Rossiya*, which has been registered as a non-party paper, but still identifies with what it terms "honest Russian Communists". On the other wing the Communists for Democracy faction headed by Alexander Rutsikoy opted for the creation of a "Democratic Party of Russian Communists" which could have a real following among middle-ranking party functionaries. However it seems that Rutsikoy has now given up on Communism and instead decided to form a Russian "Party of Freedom".

The Yeltsinites have so far played the anti-communist card in a relatively cautious manner, although hints have been thrown out about a "second Nuremberg trial". This is small wonder given the past (often very recent past) of most leading liberals, including Boris Yeltsin himself. However a big campaign has been launched to "unmask the serious supporters of the coup" — the most prominent victim of this being the chairman of the Supreme Soviet Anatoly Lukyanov.

Behind this lies a forceful drive by the Yeltsinites to take control over the key posts and institutions hitherto belonging to the centre. In the media, the banning of the CPSU-press was followed by the liberals taking control of the central TV, TASS and the state news agency TAN, which has been merged with the Russian agency RTA.

Taking control of the security apparatuses

Almost all central government and state institutions have been taken over or are now under the control of the institutions of the Russian Republic, due to a series of decrees by Yeltsin and Gorbachev. Special attention has been paid by the Yeltsinites to winning control of the army and security forces, with the KGB being divided up and vital parts transferred to the jurisdiction of the Russian KGB.

The Union government has been ousted and replaced by an interim Committee for Governing the National Economy. The composition of this committee — Ivan Silayev, Arkady Volsky, Yuri Lushkov and Grigory Yavlinsky — gives an idea of the alliance that Yeltsin is trying to bring together, one based on the "democratic bureaucracies" of the Russian Republic, Moscow and Leningrad; supported by the new business elites; and incorporating remnants of the CPSU apparatus.

Both Silayev, the Russian prime minister, and Volsky, a former CPSU apparatchik, have close links to the new layers of private entrepreneurs. Silayev is chairman of the Congress of Russian Business Circles and Volsky heads the so-called Scientific-Industrial Association. All the four have a past in the CPSU — none in high-ranking capacities — and are part of the "new nomenklatura" which has oriented towards Yeltsin. In this connection

Yavlinsky is an important figure. He is known to have close ties to international capital and Western neo-liberal economists such as the Harvard economists around Jeffrey Sachs, with whom Yavlinsky drafted an economic plan for the G7 summit in London this summer. The fact that within the committee Yavlinsky has been given the responsibility for preparing the economic reform programme suggests that a harsh liberalization is on the cards.

In his attempt to gain maximum control, Yeltsin has made extensive use of his power to issue decrees, which the Russian People's Congress granted this spring. The aim is to streamline a new power structure, which can work "efficiently" on all levels — that is through decrees and without too many democratic obstacles. To this end, the executive power has been strengthened at the expense of the elected bodies in all the Soviets throughout the Russian Republic. The head of the administration of the Soviet, appointed by and responsible to the president, has been given increased powers, which has prompted many, even liberal newspapers to speak of "a return to the institution of Governor-Generals". In addition to the new "Governor-Generals" direct representatives of Yeltsin will supervise the Soviets through the organ the Presidential Control Divisions for the Administration.

A special decree was issued on August 28 concerning the Moscow Soviet. This decree effectively strips the democratically elected Moscow Soviet of its powers and hands them over to the Mayor of Moscow, Gavril Popov. The Mayor and his apparatus are now in charge of all questions concerning the property and economic affairs of the city — including privatizations, price rises, taxes and so on. The Moscow Soviet is left with largely formal and advisory functions.⁴ After some initial hesitation the Moscow Soviet has now started to organize protests against this decision.

The main stumbling block for the alliance led by Yeltsin after the coup has been the question of the future of the Union and the role of Russia within it. There is a strong "unionist" current in the Yeltsin camp who want a Union where Russia will maintain most of the functions previously performed by the centre. This touchy issue came to the forefront of the political debate when several key Yeltsin supporters — including Vice-President Rutskoy, who is a well-known Russian nationalist — suggested that the borders between Russia and the other republics should be revised if the latter chose to secede from the Union.

These territorial claims include parts of northern Kazakhstan as well as vital parts

of the Ukraine — the Crimea, Donbass, Kharkov and Odessa. It should be noted that before the coup, when speaking in Kazakhstan on August 17, Yeltsin explicitly denounced the demands of the conservative "Soyuz" group that parts of Kazakhstan should be transferred to the Russian Republic. One Ukrainian historian commented on some of the implications of the Russian claims: "All this excites outbursts of anti-Russian feeling in the Kuban, Kursk, Belgorod and Voronezh regions and around Stavropol and Krasnodar. These, territories, which have a predominantly Ukrainian population, were handed over from the Ukraine to Russia by Kaganovich in 1925-27."⁵

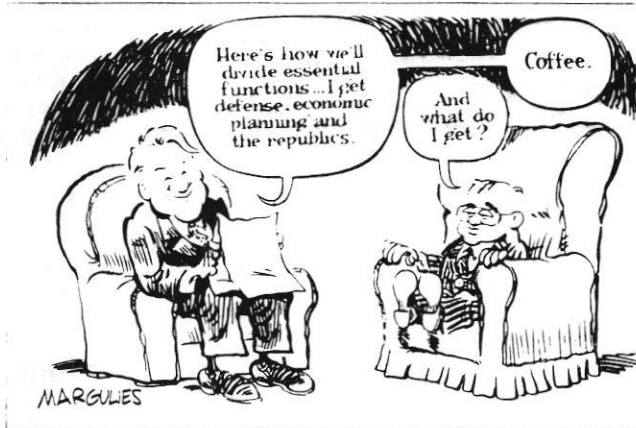
The danger of inter-Republic conflicts on a large scale led many of Yeltsin's intellectual backers to have second thoughts. The rising criticism of the chauvinist turn was expressed by, among oth-

ers, the coup, but with Russia as the dominant force; and a military one. The latter will in practice secure Russian hegemony over the army — with most officers being Russians obeying orders from Russian authorities — and by all accounts with a Russian monopoly on atomic weapons.

During the coup and the days that followed the workers' movement played only a marginal role, while the left wing — inside and outside the CPSU — was swept aside by the rapidly unfolding events. This has provoked some soul-searching among the different groups, which are trying to come to grips with the situation. One project, made public at the end of August and receiving considerable attention on the left wing, is an orientation calling for the formation of a Labour Party.⁸

This statement was endorsed by some leaders of the Moscow Federation of Trade Unions, representatives of the Socialist Party and the Confederation of Anarcho-Syndicalists (KAZ) while other groups contemplate supporting the initiative. According to the declaration, "the Party of Labour must become a party politically supporting the trade unions and the workers' movement. Only such a party can become an organic part of the international left movement."

Two weeks after the coup the mobilizations, which reached their peak only after the coup had failed, are over. The demonstrations by Democratic Russia in Moscow, in connection with the People's Congress, have been comparatively small. But the huge social and economic problems remain and are not likely to diminish as the "shock therapy" prescribed by Yavlinsky draws closer, as does the winter. Currently the Yeltsinites undoubtedly have broad popular support and are trying to use this to construct what may be the outline of a new authoritarian constitution. But the outcome is far from certain. The liberals are a heterogeneous and divided group which has not been able to create a party with real strength and although the conservative nomenklatura has been politically outflanked it still represents a social force in the apparatus. Obviously the big unknown are the reactions — and actions — of the working class in the period of profound turbulence which lies ahead. ★



ers, the influential figure of Yelena Bonner, who demanded: "the granting of full independence not only to the Baltic Republics but also to all the other Republics, including the autonomous regions such as Tatarstan, Komi, Nagorno-Karabakh and others."⁶

This obviously touches on a key point, because the aspirations of the autonomous republics within the Russian Federation to secede are set for a head-on collision with the influential circles promoting the concept of "Great Russia". There are many political forces with an interest in playing on the Russian "national awakening" of the past few years, and which has been even more strongly manifested after the coup. This process could see surprising new alliances — as has been the case with the partial convergence of views between the "Soyuz" chauvinists and leading Yeltsinites.

However, on the level of realpolitik, a temporary consensus has been established with the joint statement by Gorbachev and leaders of ten republics on September 2.⁷ In his speech to the People's Congress, Yeltsin distinguished between three different "unions" within this framework. An economic one, in which all present republics will participate; a political one basically along the lines laid out before

1. *Kommersant*, no. 35, 1991.

2. *Nezavisimaya gazeta*, September 3, 1991.

3. *Kommersant*, no. 35, 1991.

4. The decree was published in *Kuranty*, August 31, 1991.

5. *Kommersant*, no. 35, 1991.

6. *Kuranty*, September 3, 1991.

7. It is in itself a strong indication of the shift of power towards the republican bureaucracies that this statement was presented not by Gorbachev, but by the President of Kazakhstan, Nasarbayev.

8. *Moskovskaya Pravda*, August 31, 1991.

The struggle for the state apparatus

MANY questions remain unanswered about the aborted coup that could have led to a repetition of the Tiananmen Square drama in Moscow. Part of the explanation for the defeat of the coup lies in the mobilization galvanized by Yeltsin and the visceral popular rejection of the old system. But it is difficult to understand the amateurism of the putschists — who failed to arrest Yeltsin and others at the same time as Gorbachev — given that at their head were the highest leaders of the apparatuses of state repression. The speed of the defeat, and the reluctance of the generals to fire on a crowd much less numerous than that in Beijing, give an impression of confusion about the very objectives of the coup.

CATHERINE VERLA — August 29, 1991

THE break up of the system has accelerated since the beginning of the 1990s with the discrediting of *perestroika* as a project for the "modernization" and humanization of the bureaucratic system. The deterioration of the economic situation implied "radical" remedies and rumours of a coup d'état had already circulated, in the context of a polarization in which Gorbachev had lost his popular base.

Significant divisions appeared in the state apparatuses, in the first place the army and the party. They reflected the movements from below which have shaken the system to its roots; the weakening of the powers of the centre in relation to the republics to be confirmed by the new treaty of union; the loss of power by the party/state, whose break up was announced before the coup by the political regroupment between liberals and Communist reformers led by Shevardnaze and Yakovlev; and the loss of control of the economy. This explains the extreme fragility of the putschists. But what was the socio-political logic of the coup?

The press has generally characterized the coup as "conservative" or "right wing", led against a left supposedly incarnated by Yeltsin. But there are several varieties of "conservative" and several rights.

The putschists made no appeal to mobilization; evidently they were counting on the passivity of a population profoundly discontented by the degradation of everyday life, a sentiment to which they appealed by announcing lower prices and referring to the dangers of famine linked to the reforms. Their main stated objective was the maintenance of a

Union, equipped with a powerful centre, and a strong law and order line in internal policy. But they did not explicitly disassociate themselves from the liberal market projects.

In international policy the most that can be discerned in the statements of the putschists is a contempt for western "aid" to the Soviet Union and a "patriotic" point of view; the participation of General Kryuchkov (head of the KGB), who had denounced the plot by foreign secret services "seeking to destabilize the Soviet Union" last winter, supports this interpretation. The coup did not represent an "anti-imperialist" turn, nor was it conservative in the sense of a return to the old system.

Mutant bureaucrats

The putschists seem to be "mutants" between the old system of non-capitalist dictatorship, of which the administrative machinery has collapsed, and the new pro-capitalist dictatorship that is emerging. Speculative as this may be, it does allow us to underline the real ambiguities of the coup, linked to the different cleavages now cutting across the bureaucracy with the reinforcement of those who have opted for reconversion in the "market economy".

All the bureaucrats are pragmatically guided by the defence of their material interests. The putschists represented firstly those who are attached to the maintenance of a strong central state apparatus on the internal and international plane, and to whom the disappearance of the Warsaw Pact, and, even before the coup, the affirmation of sovereignty by the republics, the drastic reduction of the

budget allocated to what remains of the centre, and to arms expenditure, all signified the loss of jobs and privileges. This "conservatism" of a part of the state apparatus could find a resonance with that, more "classical" in form, of a part of the neo-Stalinist apparatus of the CPSU and the trade unions which senses itself menaced by the application of the economic and political reforms (as, for example, Yeltsin's decree, made before the coup, against the Party organizations in the workplaces; there also, the loss of jobs can be counted in the millions).

The Russian Communist Party (RCP), created by these latter conservatives, the United Front of Toilers (UFT) of Leningrad, the Interfronts based principally on the population of the non-Russian republics were, in this respect, potential allies of the putschists. They could support them, with their jargon of pseudo "defence of the interests of the workers" and of the USSR, on the line of their programme (with, on the international plane, the classic "internationalist" discourse). But they were not the obvious initiators of the coup and do not seem to have been mobilized to defend it either. They appear to have adopted a waiting posture; the least one can say is that they do not have the wind in their sails. They have nonetheless been designated as guilty for the coup and are suffering in full the effects of its defeat.

Frontiers of market Stalinism and state capitalism

The ambiguities of the putschists reflected the fluctuating frontiers between "market Stalinism" and state capitalism in the current period; the state apparatus is one of the essential stakes for the capitalist restoration underway. The fact that Yeltsin and the liberals in power in Moscow and Leningrad were not arrested could express the uncertain orientation of the putschists and their desire to leave a door open to negotiations with supporters of the liberal market, rather than a reflection of amateurishness.

The coup leaders were favorable to market reforms, but at the level of the Union and controlled by a strong state, without counting too much on foreign capital, which would not throw itself into a situation of chaos. Between Rykov and Silaev, both engineers originating from the military-industrial complex, or between Pavlov and Shatalin, there is probably no difference on goals but simply on strategy.¹

The tide of capitalist restoration, in all the countries where it is underway, has not for the moment the political, social or economic strength to go through to the end, except in Germany. Everywhere else, it is stagnating. Currents differentiate themselves, some advocating a national capitalism protected from foreign investments, others the most open inser-

tion in the world capital market; some call for a rapid privatization at no matter what price and whoever benefits, others a slow privatization, controlled by the state. But who will control the state?

One of the difficulties of capitalist restoration is the lack of new personnel; although state capitalism appears as the logical "solution" from the point of view of the restorationist projects faced with the insufficiency of private capital, any reinforcement of the state based on the same apparatuses is, and will be, perceived as "conservative". The governmental teams who are most able to advance a restorationist project are those who originate from a rupture or a struggle against the old system, from the coming to power of explicit opponents of the Communist Party (even if they are a product of it) and of new layers of the technocratic intelligentsia as is the case, in varying degrees, in Poland, Hungary and Czechoslovakia.

Continued reticence of foreign capital

Thanks to his previous break with the CPSU and to his role against the coup, Yeltsin has gained the preconditions for a liberal market offensive, but not the conditions of its success. This offensive will without doubt benefit, as in Poland, from a provisional state of grace and increased foreign aid. But crisis and political uncertainty mean that foreign capital (and US economic support) is still reticent; the state of grace will without doubt be less long than in Poland and rendered more problematic by the breadth of the national questions.

These exist both between the Union republics and within the Russian federation itself. The USSR as a "prison house of peoples" is no more and cannot be revived. The defeat of the coup and the offensives led against the CPSU and its instruments of repression, favorize the explosion of declarations of independence, but also of new forms of union. The consolidation of a powerful Russia and its leader, thanks to his victory over the putschists, the declarations by Yeltsin threatening to reopen the dossier on the frontiers of the separatist republics and the great number of Russians nominated to governmental posts have produced alarm in the other republics.

At the same time, the affirmation of Yeltsin's power in Russia facilitates the policies of bypassing or weakening of the centre. Several factors mitigate against the simple disappearance of the centre, in spite of a growth of direct relations between republics, including fear of a dispersion of nuclear weapons, the search, by certain nationalities, for federal protection against the oppression of their own republic, and the need for common management of a currency and of infrastructures.

This is compatible with the affirmation of the sovereignty of the republics in several domains, which, in the USSR as in Yugoslavia, will be at the heart of the negotiations and conflicts to come; in international policy, the republics want to have their own representatives in world bodies alongside the Union (as is formally the case of the Ukraine, and is also envisaged in the Yugoslav confederal projects); on the plane of the armed forces, each republic seeks the means to protect itself and the right for its conscripts to do their service where they want; finally, there is the question of the economy, that is: what degree of independent decision-making for each republic, and within that, what monetary space.

The sorcerer's apprentice and the midwife

The defeat of the coup accelerates the change and the break up of the USSR on three levels; the Union, the Party/State and the economy. While Gorbachev has been the sorcerer's apprentice of this mutation, Yeltsin will be without doubt its midwife. It was necessary without hesitation to oppose the coup, and in this respect to struggle alongside Yeltsin, but beyond this it is also necessary to say in advance what the effects would be of the application of the 500 day reform he supports and to judge him on his acts.

The development of self-organization, political pluralism and of total freedom of expression are the only guarantees of democracy in the essential decisions to come and of a real defence against future coups, from wherever they may arise. Such self-organization and such liberties should be respected in workplaces and the localities. That is why we are against the decree forbidding the workplace cells of the CP, but for the generalization of the right of organization and of political debate.

We are for the nationalization of the property of the CP and of the official trade unions but for their redistribution under democratic control to the different political organizations, among them the CP. In the same way, we do not accept the banning of the CP, because we reject the confusion between the necessary struggle against the Party/State and its monopoly, and the forbidding of the expression of the ideas or limits to the right of organization for those who still adhere to Communism. It is not by chance that Yeltsin is perceived by the socialist and pro-self-management left in the Soviet Union as a potential danger. ★

1. Ryzhkov had been Gorbachev's Prime Minister and was defeated by Yeltsin in the election for the Russian presidency. Silaev, Prime Minister of Russia, is today at the head of the federal economy. Pavlov was Prime Minister of the USSR at the moment of the attempted coup, and participated in the conspiracy. The economist Shatalin, who drew up the 500 day plan, is close to Yeltsin.

A view from the Soviet left

SHORTLY after Mikhail Gorbachev resigned as General Secretary of the Communist Party of the Soviet Union (CPSU), Poul Funder Larsen spoke to Vadim Danye, a Moscow left-wing activist, co-founder of the Green Party and leader of the eco-socialist group Green Alternative.

THE attempted coup by the "Committee for the State of Emergency" turned out to be a total failure. In most major cities in Russia, for example in Leningrad, there were no troops at all, and the local — mostly liberal — soviets were firmly in control. This seems rather unusual for a coup supported by the leaderships of the army and KGB.

There are many circumstances surrounding the coup, which indicate that it was not a real coup d'état, but rather some kind of "provocation". It is indeed a strange coup which does not include the air forces and the navy; which is not actively supported by the commanders of the military districts; where there are no clear orders given to the army; where there is no substantial support from the social forces which would benefit from the coup and so on. Even the military units loyal to the junta did not take any decisive steps — they didn't try to conquer the positions of power, and the military forces, for example in Moscow, were hardly armed.

Besides it is still quite unclear who gave the orders to halt the military units marching towards the great cities. Even if one assumes that the coup leaders were absolute fools, all this sounds improbable.

In this connection the declaration by former KGB chief, Kryuchkov, in yesterday's *Izvestiya* (August 24) was interesting. He said that he had made no mistakes, and that there are many indications that he will soon be set free.

■ **Could you give some additional information about the scale and political character of the resistance against the coup in Moscow?**

During the days of the coup the mobili-

zations were not very large, and people's opinions varied a great deal. However, the majority seemed rather indifferent. There were no factories on strike in Moscow. Of course there were strikes among the miners in the provinces, but not in a really massive fashion. There were few workers around the "White House" of the Russian parliament, for example building barricades. The great majority there were young people, political activists from "Democratic Russia" and so on, but also some left-wing activists took part.

■ **What positions did the left wing put forward during the coup? Were any of the left groups able to intervene in the situation?**

Unfortunately this situation clearly demonstrated that the left forces are scattered and not in a position to take substantial initiatives within a few hours or even days. Many of the leaders of the left wing were out of Moscow. There were a lot of meetings among the different left-wing groups, but they were mostly confused and wavering.

Our group produced a leaflet, but it had only a small circulation, because it was impossible to get it printed. At that time we still thought that the coup was dangerous, and we stated as the main point that we were against the plotters, against fascism and curtailment of democratic rights. We also stated that in principle neither of the two sides were right — that both were undemocratic and oriented towards private capitalism.

However from the outset the junta declared that it would limit democratic rights, ban strikes and so on, and we clearly wanted to fight this. We therefore supported the call for a general strike, but we emphasized that this should not be seen as a sign of support for Yeltsin. The strikes should be based on self-organization at all levels.

Unfortunately we only had small possibilities, because of the lack of time and our lack of resources — with no access to a copy machine or a print shop. We distributed and stuck our leaflets on the barricades, but in general the reception was rather negative, as most of the activists were pro-Yeltsin.

■ **After the coup the situation has developed extremely rapidly. It seems that the Yeltsinites are taking control of most of the state apparatus even at the Union level. Yeltsin is governing by decree and has taken a series of "emergency measures" some of which are far from democratic. How do you view the "temporary suspension of the Russian Communist Party", the closing of several CPSU newspapers and the immediate confiscation of all the party's property, seemingly endorsed by Gorbachev?**

Well, this is an ambiguous question.

Social forces in the Soviet crisis

WE publish below an extract (point 4) from the document on the crisis in the Soviet Union adopted by the 13th World Congress of the Fourth International, which took place in February this year. The complete text of this resolution and others passed or discussed at the Congress can be found in no.11/12 of *International Marxist Review*, which can be obtained from the same address as *IV*. The issue costs \$10 or £5 per copy.

DOCUMENT

THE CPSU is no longer the sole framework where various strategies confront each other: it has broken up on the one hand on the basis of national fractures into as many parties as republics, more or less looking for a base in the nationalist movements. On the other hand, the conservative and liberal currents have made efforts to find a mass hearing outside the party (for the

conservatives, the United Front of Toilers, Inter-Fronts in the Baltic Republics; for the liberals the Russian Democratic Front). Finally, a multitude of parties have begun to spring up without any of them being in a position to challenge the CPSU for the moment. In this context, the abandonment of article 6 introduced by Brezhnev to consolidate the "leading role of the party", almost imposed itself on its own.

Obviously a big part of the Russian Communist Party (RCP) is Stalinist, and a weakening of the Stalinists should be welcomed by the left. So one could even be a bit malicious about this. But the strengthening of Yeltsin creates anxiety, and a feeling that hard times are ahead for the Soviet left.

It seems that Yeltsin is going to curtail democratic rights just like the junta. The attacks on the Communist Party gives rise to a feeling not only of anti-Stalinism but of anti-communism and anti-Bolshevism. Now the banner of the Tsar floats over the whole of Moscow and the red flags are gone; while graffiti like "CPSU=SS" and "down with communism" are written on the walls. So the mood is not only anti-Stalinist but anti-left wing.

But even if we are talking only about the CPSU and its CC — the building of which has been confiscated — one should not forget that the CPSU and its CC were not involved in organizing the so-called coup. These methods could in turn be used against other parties and groups.

Yeltsin and his organization "Democratic Russia" are now the heroes of the day. They have the confidence of the people and a green light for their pro-capitalist market reforms. This means privatizations, attacks on workers' rights, unemployment and price rises. For a long period people will endure this — no one knows for how long; but certainly for the next period.

In our leaflet during the coup we stated

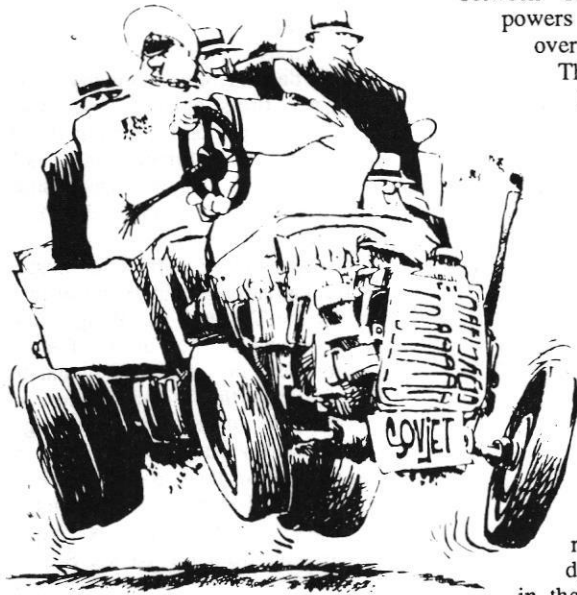
that "the dictatorship of the military and the nomenklatura should not be transformed into the dictatorship of the Yeltsinites." Unfortunately such a dictatorship is not out of the question. Yeltsin could use the present situation to oust Gorbachev from power. Clearly the atmosphere in Moscow is not in favour of Gorbachev.

Yeltsin's increased powers and his present popular support could form the basis for some kind of authoritarian regime. However, it is not yet clear how this could come about. Right now, he is exercising strong pressure against the CPSU, but when the unemployment and price rises of the market reforms create social protests, he could use his new authoritarian powers to crush these.

■ **What tasks face the Soviet left following last week's events?**

I think the left-wing should make it clear right now that Yeltsin and his movement are the main danger. Stalinism has perished in its old form. Influential forces of this type may still exist in the army and the KGB — and one could even imagine that they played a key role in the recent events and may also do so in the future. But Stalinism as the dictatorship of the party has gone. The main danger now is a new form of authoritarianism, that is a right-wing, populist and authoritarian regime.

We should also draw some conclusions from our problems during the coup and try to develop links between the left groups to create the ability to react more quickly and flexibly in a crisis such as this. ★



between federal and republican powers that has been radically overturned by the republics.

They are increasingly confronted at the same time by close economic interdependence linking them together and the problems they will face in relation to the world market, and finally with proclamations of sovereignty of their own minorities possibly seeking protection from the Soviet Federation against oppressive governments in the republics.

d) Generally, the change in the enterprise law in June 1990 represented an abandonment of the initial characteristics of *perestroika* and its diversion in a liberal, free-market direction: its logic became privatization and management rights dependent on share holdings, to the detriment of the initial (although limited) powers given to workers' collectives. The wish for Western credits has not been negligible in this evolution, which also reflects the growing support from a section of the intelligentsia and the apparatus for restorationist projects. But this will inevitably give control of the market to mafia-type forces who are using cooperatives to launder and extend the funds previously accumulated. In addition, the growing chaos rather calls for centralist survival measures and makes the recourse to automatic market functioning increasingly difficult and the source of uncontrollable explosions.

● Initially, the "radicals" — including in the presentation of their "500 Day" programme of "transition to a market economy" — kept a demagogic language (Yeltsin, like Walesa, promised well-being for everyone straight away with the market and privatization). But the identification between liberal-market reform and democracy is being increasingly challenged by supporters of a strong-arm solution for imposing the market. They now have some decisive institutional support at the level of the soviets in several towns and republics. The population seems very torn between fear of change for the worse and exasperation with the current impasse.

● This unstable situation is reflected in Gorbachev's persistent hesitations between the different variants of the reforms and the ultimate recourse to methods of direct control beyond formally proclaiming financial autonomy. Overall, the project of bureaucratic reform with a "human face" has failed, the centrist base of support for Gorbachev has collapsed; his room to manoeuvre

between conservatives and radical liberals still derives from the weaknesses of their projects, but such manoeuvres are more attempts to manage the disorder than reforms. His recourse to the party apparatus within the KGB and the army to maintain the power of the centre against the chaotic breaking-up of the Union is on a far from firm basis, so deep is the crisis of the whole system. Repression could be used by different forces present, from neo-Stalinists to supporters of capitalism. The liberal pseudo-democrats would only oppose the use of repression in cases where it would aim to maintain the former regimes. Only mass resistance could prevent a recourse to force to stamp out the developing social and national conflicts.

e) With the miners' strike, the Soviet working class has had its first experience of self-organization that will mark future struggles. Independent regroupments of workers on a socio-political or trade union level that have multiplied on various levels, sporadic local actions against the bureaucratic regimes and the massive participation in the elections and national fronts — these are all manifestations of a major political awakening. But there are no independent organizations putting forward coherent programmatic responses that can allow them to avoid the false counterposition that is continually presented: neo-conservatism adopting class-struggle language or free-market radicalism with its radical anti-bureaucratic discourse.

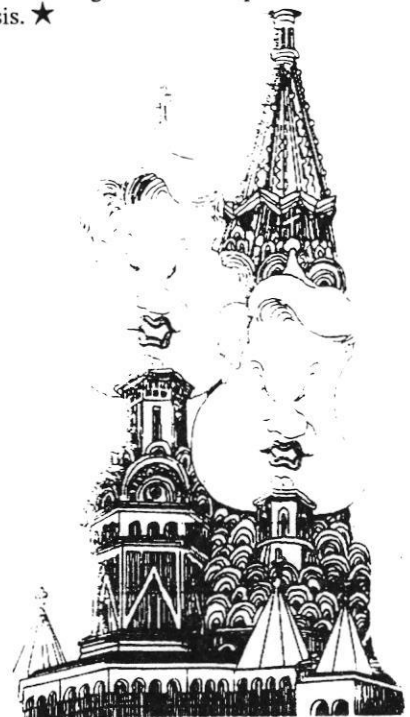
Our central task in the USSR is to help break this false counter-position. It is to support all the experiences and steps towards self-organization of the workers, however fragile, confused and embryonic they may be, as much on the trade union level as on that necessary for forms of self-management as a response to the crisis. ★

But more and more conflicts if not a sort of dual power are developing between the party machinery and that of the soviets, many of which are falling to the control of the liberals. There is a general crisis of the regime through its fragmentation.

b) The liberals have speeded up their restorationist course. They are joined by Yeltsin enjoying a temporary popularity thanks to three factors. First, his conflicts with the apparatus and his past speeches against privileges; second the proclamation of sovereignty for a Russian Federation that up until then did not exist, thus scoring points both with Russian nationalists who correctly denounced the non-existence of institutions representing the Russian people and with non-Russian liberals and nationalists who saw in it a radical weakening of the powers of the "Centre" with the possibility of direct negotiations between republics around reciprocal terms and relationships. Thirdly, the radical free-market speeches appeared to be a response to maintenance of the status quo. The liberals, like the conservatives, will pay for the experience of power with the loss of popular illusions.

c) The national and social movements now go beyond all the limits fixed at the centre. The "full powers" that Gorbachev gave himself are going to come into open confrontation with the sovereignty proclaimed by the republics and the tendency to increased independence for regions, towns and even enterprises, with a growth of social and national exasperation both against the centre and against its paralysis (the demand for a strong hand to restore "order" and the reproach made that Gorbachev is too hesitant illustrates a certain popular ambiguity...).

● Whether a question of independence or sovereignty, it is the articulation



Behind the BCCI scandal:

Capitalism and Crime

THE bankruptcy of the Bank of Credit and Commerce International (BCCI) is the biggest bank failure in history, with losses, according to recent estimates,¹ of \$20bn. The combination of fraud, complicity by incompetent or negligent public bodies and corruption on a massive scale amounts to a scandal that exposes some basic realities of contemporary capitalism.

ERNEST MANDEL

FOR the past half century, the international capitalist economy has known permanent inflation. This is, essentially, inflation of money existing on paper, that is of banking credits. After the Second World War, the capitalist economy floated to prosperity on a sea of debt. The global dollar debt — including that of states, firms and households — has reached the astronomical level of \$10,000 billions, that is 1 followed by 13 noughts. This sum does not include debts accounted in other currencies.

This debt began to snowball in the mid-1970s. The first oil shock saw massive amounts of money capital flowing into Western banks (the so-called "petrodollars"). The global recession of 1973-74 meant that the demand for credit by businesses to fund productive investment fell below the amount of credit the banks were offering. As a result there was a growing diversion of these credits into speculative enterprises such as exchange dealing, the stock market, property and takeovers of big firms for purely financial reasons, often followed by their full-scale break-up ("asset stripping").

A single figure sums up this speculative wave. Every working day, the capital engaged in exchange dealing in the main financial centres is equal to the annual value of world trade.

In these conditions, the big banks literally threw loans in the direction of Third World governments, the Soviet bloc countries and sharks of the type of Milken, Trump, Icahn, Boone Pickens or Bond. This was the era of the yuppies and the ethos of "get rich by any means possible and at whatever price" (for other people). Players, speculators, adventurers and straight forward swindlers were the heroes of the hour.

The tabloid side of the phenomenon hides a more profound social reality. In a number of capitalist countries (above all, but not exclusively, Anglo-Saxon) the financial sector of Big Capital got the

upper hand over the productive sector — in which it is obviously necessary to include such sectors as telecommunications and transport and much of the service sector not purely involved in financial and commercial operations. This evolution is reflected in the growing proportion of global surplus value (national income less real wages) which is appropriated in the form of interest compared to dividends (both distributed and undistributed) of non-financial enterprises.

There has even been talk of a lasting process of de-industrialization in countries such as the USA and Britain, and, although this is an exaggeration, there is undoubtedly a tendency in this direction.

Great Crash leads to strict bank controls

In the aftermath of the great banking crashes of the 1930s several European countries introduced very strict, and apparently effective, banking controls. Since then France and Belgium, for example, have not seen any major bank failure. This is not the case, however, in Italy (the collapse of the Banco Ambrosiano) and Germany (the Herstatt Bank). In the United States a system of insurance by the public authorities as a guarantee against bankruptcies of lending institutions was preferred. However, when the losses reach a certain level, the price of "stabilization" becomes excessive and has inflationary effects if it requires an increase in the budget deficit and thus of the public debt. Thus, the failure of the American Savings and Loans has cost the Treasury \$150bn in the immediate term and perhaps \$1,000bn in interest between now and the end of the 1990s.

In fact, the solidity of the international banking system has been progressively undermined over recent years.

Firstly, a proportion of the assets accumulated in the big banks' books have

gone bad, that is to say may well not be repaid. Attention in this respect has been concentrated on the so-called "Third World debt". But in fact many US oil and property firms have become insolvent. During the present recession the British bank Barclays estimates that it is losing around \$1.6bn a day in loans to small and medium sized enterprises that have collapsed.

The prevailing climate of hostility to state regulation and intervention stimulated by the Thatcher and Reagan administrations gave the banks the perfect atmosphere in which to demand the deregulation of the financial sector. A timid proposal to impose a slight raising in the relation between the real capital and the paper totals of the banks suggested by the International Bank of Settlements in Basel provoked a very vigorous campaign of opposition from the banks. Scandals of the BCCI type are the inevitable outcome of progressive de-regulation.

But the fragility of the international banking system corresponds first of all to a structural change in the financial system: that is, its growing internationalization. This is only the expression in the domain of finance of the fundamental characteristic of "late capitalism" — the growing internationalization of the productive forces and of capital and the development of multinational firms as the main form of organization of big capital.

World awash with floating capital

In the financial world this tendency has been powerfully stimulated by the information revolution which makes it possible to transfer billions of dollars from one corner of the globe to another in a matter of seconds. The quantity of "floating capital" which escapes any recording and thus any possibility of control is estimated to be \$1,000bn, but the real figure is not known, the margin of error being in the hundreds of billions of dollars. Evidently, what is not known cannot be controlled.

Any passably effective regulation of the financial system would require a state that had a grip on it. In the epoch of laissez-faire capitalism and even in the first phases of monopoly capitalism, the bourgeois nation state could perform such a function, which is indispensable to the good functioning of the capitalist economy and of bourgeois society. But in the late capitalist period the state has become increasingly incapable. Only a world bourgeois state could really get a grip on the multinationals. But such a state neither exists nor is going to, giving the realities of private property and competition in the capitalist economy.

The frontier between "legitimate" and "illegitimate" business has never been too clear under the rule of capital. As Balzac

1. *Die Zeit*, August 2, 1991.

remarked, behind each great fortune there hides a great crime. Economic history fully confirms this judgement.

There is in any case a good deal of hypocrisy in the distinction itself. Drugs money is certainly dirty money. But then again surplus value extracted from the work of Third World children, starvation wages, the super-exploitation of poor peasants and the infernal rhythms of the great factories of the West and Japan is hardly "clean". And this is to leave aside fortunes built on slavery, the pillage of America by the Conquistadores or that of India and Indonesia, or on the arms race that ended in the two world wars.

Nonetheless it remains true that the climate of easy borrowing and the debt explosion, leading to the de facto deregulation of the movements of money capital, has progressively modified the frontiers between legality and illegality in the business world. The universal efforts of the rich to pay less tax, using tax evasion and fraud on a grand scale, has played a major role in this.

In these conditions, a progressive criminalization of bourgeois society as a whole has taken place. Mafia fortunes have become colossal; a notorious Mafia boss is listed amongst the ten richest families in the world. In a number of countries, drug magnates play a key economic role and provide a significant proportion of exports. A symbolic case is that of the Vatican's Cardinal Marcinkus who has been accused of helping the Mafia to sell fake American bonds.

Concerns of super-rich criminals

The laundering of "black" money has become a major concern of the super-rich criminals as they try to cross the frontier in the opposite direction and get into "legitimate" activities. Given the immense amounts of capital they control and their almost unlimited ability to corrupt, laundering has become an increasingly important activity for the many big banks. BCCI was caught red-handed at such an operation in 1988, but the authorities restricted their response to a fine. And today its heads can say: we are being punished for doing what everybody else does.

Besides the internationalization of the productive forces and permanent inflation, the permanent arms race, and thus the weight of the military-industrial sector, is another basic feature of late capitalism. Here we also find the arms trade and the workings of the secret services, many of whose operations violate the law, not to speak of the constitutions of many countries. They thrive in this twilight world where arms traffickers, spies, terrorists, hired killers and industrial and commercial connen rub shoulders and coexist.

BCCI is accused of having served as intermediary and even of financing at one and the same time the operations of Abu



Nidal, Colonel North's Irangate, the financing of the Nicaraguan Contras by the CIA with the help of the Israeli secret services and the civil war in Afghanistan. Among the personalities involved in these operations we find the former US Secretary of State for Defense Clifford and the head of the Saudi Arabian secret services.

There can be no doubt that BCCI was a fraudulent operation from its inception. It was founded in 1972 by a Pakistani banker Hasan Abedi who wanted to avoid the nationalization of Pakistan's banks ordered by the Bhutto regime and, it seems, has not once throughout its entire existence made a profit on its normal operations. Besides laundering cocaine money, its main fraudulent activity was to give so-called loans to Middle Eastern magnates against worthless collateral. That is to say, gifts. These gifts were made up of money taken in from tens of thousands of small and medium sized savers in Pakistan, Britain, Africa, in particular Nigeria, Hong Kong and the Middle East, some 50% of the deposits coming from Africa. The system worked with the aid of a special network, a "bank within a bank" which was outside all official accountability or even registration.

Meanwhile in Japan the main broking houses — the world's biggest — compensated some privileged clients (big firms and political bigwigs) for losses suffered in the recent decline in share values, while the small speculators had to take the losses on the chin.

The circle of beneficiaries of the swindle is small. Among them are these recipients of "loans" of between \$100m and more than \$300m:

- Sheikh Kamal Adham, former head of the Saudi secret services;
- The bank's founder Abedi and his protégé Naqvi;
- The Saudi financier Ghait Pharaon;

- The Gulf shipping group controlled by the Pakistani Gopal brothers;
- Members of the government and ruling family of Abu Dhabi;
- the Khalil, Bin Mahfouz, Ibrahim and Hammoud families.

Altogether this swindle involved more than \$2bn.

Why did so many small and medium-sized savers put their faith in this bank, considered the 182nd bank in the world by *Business Week* before its collapse?

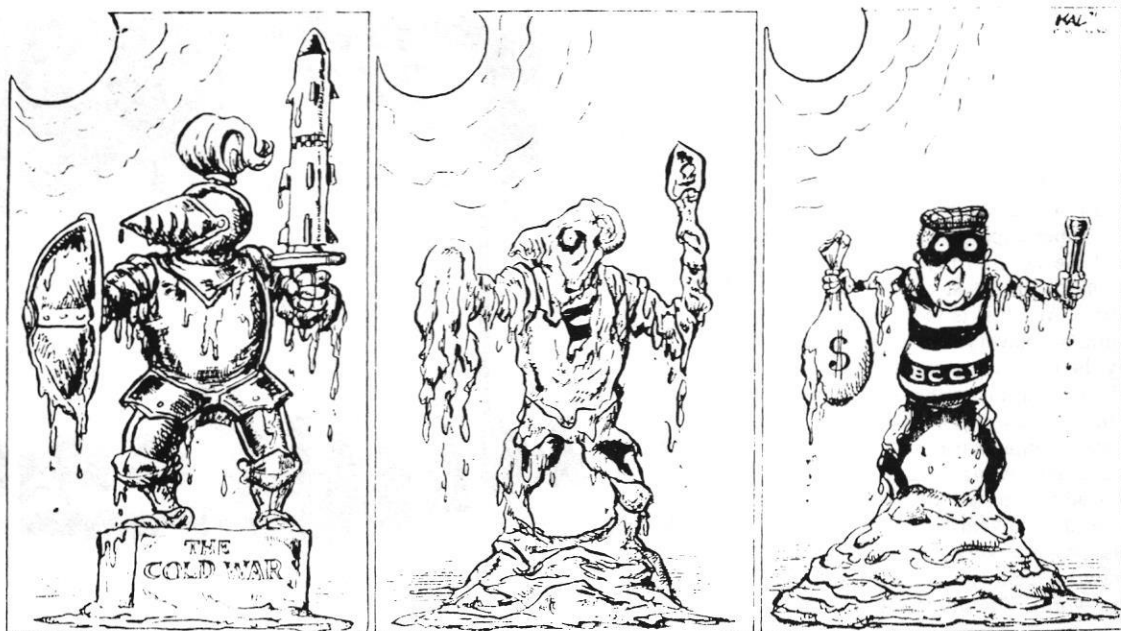
The British prime minister, John Major came up with a simple explanation, with a cynical implication — BCCI offered a slightly higher rate of interest to depositors. Some only saw the benefits and overlooked the risks. Thus they have no one to blame but themselves.

Attractions for small investors

However, while the attractions of the interest rate may explain some things, the influx of deposits into BCCI is really explained by the fact that the bank appeared to offer a way round two taboos: in the countries under strong pressure from Islamic fundamentalists, the taboo against interest-bearing loans, forbidden by the Koran; and in Britain the discrimination experienced by small business people originally from the Indian subcontinent at the hands of the four big British banks, discrimination with a clearly racist undertone.

Here one touches upon another objective aspect of the scandal. The BCCI fraud worked by taking the deposits from clients A, B and C and then repaying them with further deposits from D, E and F and so on.

Such a system can work as long as new deposits continue to flow in and there are no large-scale withdrawals. But when the flow stops, the most recent depositors are out of pocket.



After the New York stock market crash of 1987 and that in Tokyo in 1990, after the beginning of the "slimming down" of the Japanese financial system, after the ballooning of the US public debt, after the enormous costs of the restoration of capitalism in East Germany to the Federal Republic, the climate of easy borrowing has given way to a tightening credit squeeze. In these circumstances it is the small fry who suffer first.

The BCCI affair is also an episode in what one might call the primitive accumulation of an independent finance capital in the most developed Third World countries. From the start BCCI presented itself as a "Third World bank". It used this not only in Britain and Pakistan but in a whole series of African and American countries, inciting even the governments to place their meagre currency reserves in its coffers.

The episode has ended in failure, as did many episodes in the primitive accumulation of capital in Europe and the US in the past. The role of straightforward fraud in this failure should surprise nobody who knows the history of world capitalism. Stealing from public funds and small savers has always been one of the preferred means of laying the foundations of a great fortune. Figures such as Trujillo, the Somozas, Marcos and Mobutu worked like this.

There is therefore no reason to be influenced by the false and hypocritical "Third Worldist" ideology peddled by the ruling classes of the Third World, any more than by the ideological productions of anti-Third Worldist imperialism. The BCCI scandal reveals that the Third World bourgeoisie will exploit the anti-imperialist sentiment of the masses in order to rob them and enrich itself, with most of the money from the robbery, furthermore, ending up in the imperialist

countries.

Owing to its control of considerable amounts of capital, a bank such as BCCI can develop a network of connivance, tolerance, complicity and outright corruption throughout many countries, including the imperialist countries.

Charity and corruption

Such a network combines corruption with public relations — as Al Capone did in Chicago and the drug barons of Medellín and Bolivia do now. By providing funds for good works BCCI's leaders were able to neutralize world leaders including former American president Jimmy Carter and former British prime minister James Callaghan.

But apart from such purchased connivance, whether corrupt or not, inter-imperialist rivalry and "reasons of state" were also at work. Here it is almost impossible to unravel the web, since it is very much a case of the "dogs that didn't bark." Why didn't the guard dogs of the public banking system raise the alarm in time?

From London and Washington to Abu Dhabi and Karachi they knew what was going on years ago. In 1978 the London *Financial Times* referred to an American report that stressed the dubious character of BCCI. In 1980 the Bank of England refused to grant BCCI "top rank banking status" in Britain. However neither the Bank of England nor the US Federal Reserve (the US central bank) intervened to stop the losses. The inner circle of Sheikh Zayed of Abu Dhabi and the Pakistani dictatorship went further than mere inaction; they systematically covered up for the fraud.

In fact two sources of big money for the imperialists, covered by two "reasons of state" were involved.

Britain has lost to the Americans the privileged positions in the Middle East that it conquered and consolidated after the First World War. However it retains a private game reserve in the Gulf Emirates. The BCCI was the bank of the Gulf. Thus eyes had to be averted to safeguard billions of dollars worth of exports of goods and capital.

At the same time, Pakistan is the lynch pin for the US's enormous financial and political/military interests in East Asia. Shoring up the Pakistani military dictatorship has been a basic imperative for Washington for decades. BCCI was closely tied in to the Pakistani ruling class. This is the reason for the American tolerance.

The British weekly, the *Economist*, has summed up the scandal in the following severe terms: "In this business we find spies and terrorists, bombers and murderers. Ministers and officials at the highest level could lose their jobs in practically all the countries involved."² However we should not draw the conclusion that "they" are all powerful and can manipulate everything because they can corrupt everyone. It is impossible to corrupt millions of wage earners. Most of BCCI's top and middle level personnel were certainly bought off. But the mass of bank workers were not. The left wing British member of parliament Tony Benn received a number of letters from such employees drawing his attention to the shady practices of BCCI. He passed them on to the competent ministries, who did nothing.

If the banking workers had real powers of control over financial activities, corruption would perhaps not completely disappear. But it would without doubt be on a vastly lesser scale in comparison to what now occurs in both East and West. ★

2. *The Economist*, July 27, 1991.

The trade in women

THE international traffic in women from Africa, Asia and Latin America does not only exist for reasons of sexism, racism and neo-colonialism. The main reason why women come to Europe, North America or Japan, where they become nightclub dancers, prostitutes or sell themselves for marriage — is the miserable economic state of their countries, where they can see no hope of assuring their survival and that of their children. Thus, the business cannot be divorced from the economic policies inflicted by the International Monetary Fund on many countries in the world.

REGULA JLHY*

XIOMARA was 22 years old, she had two young children who lived with her, her mother and her two young brothers in a house in Las Vegas in the Dominican Republic. Xiomara provided for the whole family. She was the only one to have a regular income, working — often 12 hours a day — in a clothing factory in a free trade zone, where she earned \$50 to \$60 a month. However prices continued to rise and Xiomara's salary was no longer enough. She explained that sugar workers can no longer buy their own product for themselves and that 5 libras of powdered milk (about 2kg) cost 180 pesos — equivalent to 23 Swiss francs (\$15). The price of public transport, electricity and medicines were also rising constantly.

One day a woman told Xiomara that good money could be earned in Switzerland. Xiomara mortgaged a part of her house and paid a fee to a man involved in the women traffic. She therefore went to Switzerland thinking that she would be working. On her arrival, she was told that, rather than being employed in a hotel, as she had been promised, she was to become a gogo girl in the sex business. To be able to send money each month to her family, Xiomara had no other possibility than to become an illegal prostitute, as well as do striptease and work as a bar hostess.

Xiomara is one of many women who come each day to the FIZ (Women's Information Centre) in Zurich. It is estimated that there are several thousand women living legally and illegally in that city from the Dominican Republic.

The traffic in women from the Third World cannot only be explained of course by the bad economic situation in those countries. Nonetheless it is usually the struggle for survival that tips the balance in the decision to emigrate to a rich coun-

try.

The majority of these women cannot now return to their countries. Once here, they have to pay off the debts incurred for their emigration, often in a form that resembles slavery. In general the gogo girls are "worn out" after five to seven years work in Switzerland; they have often suffered serious psychological and physical harm — because of the amount of drinking they have to do they become alcoholics. They reach a point where they can no longer get hired as dancers. Meanwhile, they become too old and others "still unused" arrive. They have no future unless they can get married to a Swiss. In their country of origin, furthermore, it is even harder for a woman of 30 to get work than for a woman of 20.

Women bear brunt of adjustment programmes

As has been clearly shown by several studies, it is mostly women and children who bear the brunt of the IMF's structural adjustment programmes. Cutbacks, which first of all hit the social sector and state subsidies, lead women, for example, teachers, nurses and doctors, to lose their jobs. It is no accident that this last year, the FIZ has been receiving a growing number of women doctors and nurses from Brazil and the Dominican Republic.

In other economic sectors, women are also the first to be affected by sackings, since they tend to be employed in small and medium size firms. But the price rises that follow the suppression of subsidies on foods, medicines, schools, public transport, electricity and gas represent above all a further burden on women. In many Third World countries they take primary responsibility for children, parents and brothers and sisters.

In 1990, women from more than 20 Third World countries came to FIZ. However a closer look at the figures shows that 70% of them come from the Dominican Republic, Brazil, Thailand and the Philippines, and a smaller number from African countries such as Togo, Kenya and Ghana. These states are also at the head of the list of countries providing for sex tourism. And all of them are heavily in debt.

In the Third World countries, heavy investments are made in tourism, which it is hoped will bring in hard currency. Tourism and sex tourism go along with the traffic in women. Cheap holidays among "happy-go-lucky" exotic Southerners offer Mr. Respectable a chance to escape for a while from his dismal Swiss daily life and buy everything he wants — adventure, joie de vivre, souvenirs and women.

Quite often these same Swiss bring back a woman to participate in the same dismal Swiss daily life. Others spend weeks dreaming about their holidays, go to the nightclub and ask for a "brown skin" to revive their holiday memories.

Others use the catalogue of marriage bureaux and obtain an "exotic" wife, for for example, the Philippines or Brazil, for 5,000 to 7,000 francs — with the right to send her back if she is not up to expectations.

Tourism and debt repayment

Tourism, furthermore, is not only a direct and indirect result of the Third World debt. The trade in women is also a way of gaining hard currency that permits the payment of the interest on the debt. Hard currency remitted each year by emigrants represents a significant part of hard currency income in many countries. In 1988, Philippine emigrants sent back \$697m which represents 15% of the total value of that country's exports; for Sri Lanka, where most of the women go to become domestics in the Gulf states, the payments by emigrants are the second most important item in the country's income, just behind tea.

The economic importance of emigration for these countries was underlined during the Gulf war. The forced return of thousands of emigrants from the Gulf had a painful impact on the income of the countries concerned. But it also made it clear that emigration represents an export of unemployment and a means for lowering internal political pressure. Thus, for many women and men from the Third World, emigration has become a more credible

1. Regula Jlhly works for the Fraueninformationszentrum Dritte Welt (FIZ) in Zurich. FIZ is made up of women who have come to Switzerland from all over the world. The FIZ fights against the trade in women in all its forms, and for information on the roots of this business. It gives information to and assists women from the Third World in Switzerland. Information on FIZ' activities can be obtained from: Fraueninformationszentrum Dritte Welt (FIZ), Quellenstrasse 25, 8005 Zurich, 01/271 82 82.

option than internal political change in their countries of origin.

Alongside the feminization of world poverty we can also see a feminization of emigration. This means that a growing proportion of women no longer see any possibility of ensuring the future of their families and decide to emigrate to the advanced capitalist countries.

However to see the end of the traffic in women more is needed than a radical improvement in the economic situation in their countries of origin, also required is a change in the relations between the sexes and a change in the mentality of men who buy women as sexual objects and thereby reduce them to commodities. ★

confuse dogmatism with Marxism owing to their own understanding of Marxism derived from reading Soviet manuals. A strong tendency towards social democratization can also be observed, which takes as its starting point the idea that it is possible to develop a "capitalism with a human face" in our countries; this is all the more illusory in that the imperialist project does not even involve the provision of resources to "humanize" the exploitation and robbery of our peoples. Worse still, if a social democratic force did in fact form a government, it would probably limit itself to managing the existing neo-liberal programme, even if it currently expresses hostility to this.

This was why the speech at the opening of the meeting by Luiz Inacio Da Silva (Lula), the leader of the Workers Party of Brazil, was refreshing in its clear defence of a socialist perspective. Like Lula, we believe that socialism is more relevant, urgent and necessary than ever. In Latin America, even if the situation is not exactly favourable for socialists, it is capitalism which has failed, keeping millions of people in absolute poverty, disease, illiteracy and unemployment. Neither neo-liberalism nor worn-out nationalism can deal with this. Socialists must find ways of changing the relation of forces in our countries and throughout the continent in favour of the workers.

From Sao Paolo to Mexico City

THE second Meeting of the Movements and Political Parties of Latin America and the Caribbean took place in Mexico from June 12 to 15, 1991.¹ Sixty eight organizations from 22 countries were represented, among them the Nicaraguan Sandinista National Liberation Front (FSLN) and the Lavalas organization from Haiti, the latter not present at the first meeting in Sao Paolo in 1990. There were also a dozen organizations from the USA, Canada and Europe present. Marco Antonio Velazquez, a member of the central committee of the Revolutionary Workers Party (PRT — Mexican section of the Fourth International) describes the meetings, discussions and decisions.²

MARCO A. VELAZQUEZ

FIRSTLY, the meeting issued a number of solidarity declarations; with the Cuban revolution and in defence of its sovereignty against imperialist harassment; in defence of the conquests of the Nicaraguan revolution; with the democratic and popular process in Haiti; with the struggle of the Farabundo Marti Liberation Front of El Salvador; with the Revolutionary National Union of Guatemala and its proposals for peace with justice; and with the struggle for the withdrawal of US troops from Panama and the anti-colonial struggle in Puerto Rico.

The participants in the meeting also expressed their support for the Argentine claim to the Malvinas Islands and for the independence of Martinique and Guadeloupe; they unanimously rejected: "all the measures to give impunity in Latin America to those guilty of the crimes of militarism and human rights violations on our

continent, and notably the problem of 'the disappeared'".

The meeting took a clearly anti-imperialist standpoint, a positive attitude in an international context where capitalist arrogance, militarism and imperial aggression encourage the idea that opposition is impossible so that anti-imperialism has been weakened. Happily there exist still those ready to oppose the warlords and neo-colonialists. Above all, the meeting laid the foundations of a broad continental front that rejects the neo-liberal offensive in the economic domain and the neo-conservative offensive in the political sphere.

Obviously, behind the agreements reached at the meeting there are a wide range of interpretations, analyses, viewpoints and political perspectives among the 68 organizations. Some are promoting a social democratic orientation — in agreement with the processes of "supervised democracy" under-

way. Other socialist currents are trying to adapt their strategy to the present international situation without renouncing their socialist aims.

Renewal of vision

The relation of forces on the world scale, which is at present favourable to international capitalism, requires of international and Latin American socialism that it review its theoretical vision; the fall of the Berlin wall and the implosion of the bureaucratized societies in the East have also meant the collapse of the old paradigms which sustained a considerable proportion of the left.

However there is a risk that the baby will be thrown out with the bathwater. Some organizations feel that "modernizing" and getting rid of dogmatism means throwing into the dustbin of history the whole theoretical and political baggage of the revolutionary experience. Some

Supervised democracy

If, instead of really challenging the model of "supervised democracy" which is presently being imposed, organizations adapt to such projects and adopt a gradualist vision, a supposed transition towards democracy, they will not achieve their goals. Socialism in Latin America needs to renew itself, reorganize and rethink its strategies, but such a renovation does not imply the abandonment of the perspective of socialist revolution which our continent needs. To paraphrase Che Guevara, we could say that "there are no changes to make, either socialist revolution or a caricature of revolution". And one could add: either an anti-imperialist revolution which is really popular and socialist or a caricature of revolution. ★

1. The first meeting took place on the initiative of the Workers Party of Brazil (PT) in Sao Paolo in June 1990, hence the name the Sao Paolo Forum. See *IV* 190.

2. The next meeting is to take place in June 1992. The organizations present in Mexico have also decided to hold a seminar on the various Latin American integration projects; organize a forum on the North-South dialogue in a European capital and another on Latin America and the New World Order; it will send delegations to various international meetings and it will take part in the alternative celebrations of the 500th anniversary of the conquest of the Americas. A coordinating group to implement these decisions was formed, with the participation of the FMLN, the FSLN, the Cuban Communist Party, the United Left of Peru, the PT, the Lavalas, the Free Bolivia Movement and the Broad Front from Uruguay.

New mood among Turkish workers

SILENCED for years under the military dictatorship, Turkish workers were paralyzed by anti-strike laws and had to be satisfied with the hope that the union leaderships could negotiate good collective agreements on their behalf. However, following on the renewal of its activity in spring 1989, the Turkish working class has slowly but surely adopted a new approach.*

FUAT ORÇUN

STARTING in 1984 real wages began to fall, and after the 1989 local elections hundreds of thousands of workers became involved in struggles. This has won them wage rises far beyond those proposed by the bosses and the government, and has also thrown the union leaderships, which had become nothing more than transmission belts for repression and despair, into disarray. Sometimes original methods of struggle have been used to get round the anti-strike legislation and attract the attention and support of public opinion; allowing beards to grow; collective medical visits; hunger strikes, work slowdowns, meal boycotts and so on.

The union bureaucracy has found itself caught between the pressure of the rank-and-file and that of the government, which was not ready to listen to its pleas. However, the leaders need both rank-and-file support to justify their existence and the benevolence of the government to maintain their privileges.

The miners' strike at the end of 1990 marked a new step forward. However, the Gulf war was the occasion for further restrictive legislation. More than 300 strikes have been banned by the government. The signing of the collective agreement affecting 600,000 public sector workers has been postponed. The manoeuvring and dithering of the union leaderships have cost the workers months. In any case, from mid-June 1991, hundreds of thousands of workers have resumed passive resistance outside the framework of the union structures.

The union bureaucracy has thus found itself obliged to support the workers' wage demands at the negotiating table, but has at the same time been dealing in secret with the bosses. The more farsighted employers have granted significant wage increases, which have allowed the union bureaucracy to save face, but, at the same time, have engaged in massive

sackings without any reaction from the unions. It was president Özal himself who revealed the existence of this tacit agreement when he commented on a wage dispute. Thus, in the textile sector, 40,000 workers — a third of the workforce — have been fired without any protest from Teksif, the union led by Svkət Yılmaz, the president of the main union confederation, Türk-İs. This attempt by the bosses to put pressure on the workers through mass unemployment (there is no unemployment insurance in Turkey) had already been seen at work during the miners' strike, when Özal threatened to close the mines. However at the time this threat was not carried out, in the face of the fierce resistance of the miners.

Big job losses

Over the past year, some 300,000 workers have lost their jobs, without any replacement, even at lower wages. Thus the threat of sacking is very real. Despite this the workers do not seem inclined to give up. Wage levels have become impossibly low and memories of recent victories remain living. Besides, the union leaderships, which could act as the means of compromise and retreat, now lack all credibility. Actions usually start with a rank-and-file initiative. Thus as far as the collective negotiations for the 600,000 public sector workers are concerned; 374,000 have stated that they are in conflict; 78,000 have decided to strike; 134,000 are on strike at the time of writing; and negotiations are underway for 34,000. Some 155,000 workers are deprived of the right to strike, but have decided to engage in solidarity strikes. The main slogans in the current workers' struggles are: "resignation of the government", and "Where is the Türk-İs?"

The legitimacy of the Türk-İs leadership is at an all-time low, even compared

to the time when it faced competition from a more militant confederation, the DISK. With the suppression of articles 141 and 142 of the penal code, the trials of DISK militants planned under the military dictatorship have been abandoned. There is thus a possibility that this confederation, which at its height organized some 300,000 workers, will be reformed. This raises the question of the restoration of DISK's property, a considerable sum, notably in buildings confiscated by the state, which would give it the means of resuming its activities. Despite opposition from Türk-İs, the European Union Confederation (CES) has called on the Turkish government to hand back DISK's property. DISK president Bastürk has resigned as a deputy in order to get the legal procedures started and demand the reopening of DISK.

The Türk-İs recently took part in the General Assembly of the International Labour Organization (ILO) with the agreement of the bosses and the government. Frightened by the prospect of competition, the Türk-İs tried to block the ILO's protests against Turkey's reactionary labour legislation. This insists, notably, that for a collective agreement to be reached, the union must organize 10% of the workers in the branch nationally and 51% in the enterprise concerned. Such rules would be an obstacle to an effective relaunching of DISK. The Türk-İs also asked the ILO not to insist on the re-employment of workers sacked by the military dictatorship (mostly former DISK members), who have gained from the courts the right to rejoin their enterprises, a right which is being denied by the government.

Nearly a million workers have been involved in industrial actions this year. In the first two weeks of June 500,000 workers were involved. Even if this is not revolutionary, it at least represents a kind of renaissance. However, despite the wage struggles, there are yet to be any significant solidarity actions against the sackings.

Social democracy silent

Meanwhile, despite this labour upsurge, the social democracy, caught up in its internal quarrels, has remained totally silent. The creation of a political force to the left of the social democracy is more than ever necessary. Various discussions and attempts have been made in this direction between the remnants of the various parts of the formerly extremely strong far left of the 1970s. The only tangible result so far of their prolonged discussions behind closed doors has been the reorganization and transformation of the main Maoist and pro-Soviet currents.

The first attempt at regroupment took

* This article is the second of two; the first, dealing with the crisis of bourgeois politics in Turkey, appeared in *International Viewpoint*, no. 211, July 22, 1991. It was written on June 21, 1991.



Cumhuriyet, 16.6.1990

place in 1985-86, bringing together essentially "independent" socialists and the main pro-Chinese group, the former Worker-Peasant Party (TIKP). The pro-Soviet current, which had not yet caught up with Gorbachevism, refused to join in for sectarian reasons.

The relations between the Maoists and everyone else are strained since in the past, the TIKP alienated everyone with its adoption of the Chinese "Three Worlds" line¹ and notably by its appeal for a government of national unity against terrorism and the "Soviet threat" on the eve of the coup d'état. The remnants of the TIKP in the end founded their own party, the Socialist Party (SP).

This current has, however, succeeded in winning new credibility on the left, above all through its dynamic newspaper, *İki-bine Degru* ("Towards 2000") which undertakes virulent campaigns of denunciation of the regime, notably on the Kurdish question.

New left unity initiative

Subsequently, the SP split, with some of its older cadres launching a new left unity initiative. This time they were joined by the pro-Muscovites of the United Communist Party (TBKP), a fusion between the former CP (TKP), and the Workers Party (TIP), now passionately pro-Gorbachev. A new organization, the Socialist Unity Party (SBP), was founded with the support of some "independent" personalities.

Both the SP and SBP have remained limited to their traditional bases of support, and have not attempted any further regroupment initiatives. However, while the former has been following a more radical line than in the 1970s, the second has shifted to the right, onto a liberal line.

The remnants of the revolutionary currents of the 1970s have remained outside these developments. Their suspicions, even if justified, have not been free of sec-

ularianism. These currents have undergone an important identity crisis with the retreat of the social movements, since their main impetus came from their practical work in the mass movement, above all among the youth. Their extremely eclectic ideological references have also been shaken by the events both in Eastern Europe and the USSR, and in China and Albania.

Despite the revival of working class activity around wage demands, the far left is stagnant. The dominant tendency is towards sectarian introspection against a background of ideological disarray, despite more open discussions than in the past on programmatic questions. As a rule unity in action is rejected. Given the fact that all the groups are weak, the continuing sectarianism holds out little hope for a healthy recomposition.

The situation is unlikely to change without some fundamental shift in attitudes or the appearance of a new force. The left is bogged down in sterile and tedious discussions, marked by indecision, impressionism, suspicion and a refusal to address the concrete questions of construction. Rather than being an advantage, the existence of hundreds of experienced cadres seems to work more like a bottleneck.

The force that may be able to cut this gordian knot, and break out of the dead ends of the old groups is the youth, amongst whom increased interest in politics and a definite radicalization has been apparent in the past two or three years. ★

1. The "Three Worlds Theory" launched by the Chinese leadership in 1977 held that the decisive struggle for the workers and peoples of the world was that against Soviet hegemonism. The Chinese leaders claimed that the Third World countries were the leading force in this struggle. In pursuit of this battle it was necessary to seek allies in the "second world" (Western Europe, Canada and Japan) who could be won over even by pressure from the right. The aim of this theory was to justify the new line taken by the Chinese leaders.

THESE strains did not take the form of an anti-EC mood among the electorate as a whole; opinion polls continued to show large majorities favourable to the EC and to closer relations with it. On the other hand, amongst the political and policy-making elites, there were signs of increasing alarm over the prospects for the future. This alarm derived from the fact that they were becoming aware of the formidable resistance within the EC itself to really decisive moves towards their countries' effective integration into the economic and political orders of the West. And coupled with this was a growing realization of the enormous domestic difficulties of carrying through the social transition to a conclusion.

We will now turn to the choices which confronted the European Community over its relations with the three Northern Tier East European states in 1991. These choices were posed most sharply in two fields; that of opening the EC to East Central European goods and labour; and that of offering these states a clear EC commitment to eventual membership of the Community.

Preferential treatment

The immediate difficulties faced by Poland and Hungary in exporting to the EC were in large measure lifted by the EC's decision to grant GSP (the Generalized System of Preferences) to them from the start of 1990. This meant a major liberalization of trade barriers, the removal of most quotas along with voluntary restraint by Poland and Hungary in sensitive areas such as agricultural products, steel, coal and textiles. The same GSP arrangement was extended to the Czech and Slovak Republic in October 1990.

Despite GSP rights, these states still faced the possibility of the anti-dumping procedure of the EC being used against their exports, but this was rarely used during 1990.¹

On the other hand, negotiations about a permanent trade regime within the framework of new Association Agreements (now renamed "European Accords") were long deadlocked because of EC resistance to the divisive removal of its barriers. By April 1991, the three East Central European states were expressing their concern and anxiety about this. The whole issue was raised at the European Council of heads of state and government on April 10, but the deadlock in negotiations was not resolved.²

The main sticking points on trade were agricultural goods, steel and textiles. During the first phase of negotiations, the EC had insisted upon a ten year transition period for the phasing out of these barriers.³ The three countries concerned responded by saying that these were precisely the fields where they could hope to gain a significant market share.⁴

Eastern Europe's challenge to the EC

THE period from the summer of 1989 through 1990 was one of internal political turmoil within the East European states and international honeymoon — in public at any rate — between the West, and the European Community (EC) in particular, and the new polities of Eastern Europe. During this phase a clear rift opened up between the political dynamics of the Balkans and of East Central Europe; in the former area, domestic politics was governed by the crisis of the electoral victors, as both the Bulgarian Socialist Party (BSP) and the Romanian National Salvation Front (NSF) found themselves denied the fruits of electoral triumph and plunged into crisis amidst mounting anti-Communist mobilization. But in East Central Europe the new regimes have been increasingly associated with the West, and have faced mounting domestic criticism of their Westernizing transition policies. It is, thus, in the three countries with leaderships most acceptable to the EC — Poland, Czechoslovakia and Hungary — that the strains were most serious from the Western point of view.

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The EC Commission proposed as a concession examining agricultural issues product by product and reducing the transitional period for steel products to five years. A Council meeting on April 21 accepted the Commission's proposals for a gradual removal of customs duties and non-tariff barriers over five years on steel, but required a specific arrangement for coal; it continued to insist on a ten year tariff transition for textiles while suggesting that non-tariff aspects should be settled within the Uruguay Round⁵; on agriculture it offered the removal of all quantitative restrictions but required agreements on specific goods deemed specially important for the East Central European countries' exports, subject to reciprocal effort on their part.⁶

For the CSR the key problems were textiles and steel, agriculture being largely a non-export industry.⁷ By the end of the third round at the end of March, the negotiations were still stalled.⁸

Poland's main demand upon the West throughout 1990 and the first months of 1991 had been for a drastic reduction in its debt obligations, but in February 1991 its economic supremo, Leszek Balcerowicz, indicated that the trade issues in the Association negotiations were its other dominant concern.⁹ When the external affairs Commissioner Hans Andriessen returned from Warsaw in March he high-

lighted textiles, agriculture and coal as the key stumbling blocks.¹⁰

At the end of the third round of EC-Polish negotiations in March, Poland's Secretary of State for External Economic Relations, Olechowski, was publicly scathing about the EC's stance. He noted that Poland's market is fully open to EC products and he called for full reciprocity on the part of the EC. Yet the EC was continuing to insist on trade protection for its own markets. Instead of asymmetry in favour of Poland, the result was "inverted asymmetry" in favour of the EC. Since the EC is not willing to liberalize in textiles, steel and agricultural products, liberalization in fact covers only half of Polish exports. Mr. Olechowski said no government could submit such a draft agreement to parliament for approval in Poland.

He also emphasized that "this agreement will determine Poland's fate."¹¹ During the fourth round in April, the fur-

1. Although it was used against Soviet and Albanian ferro-chromium and against a few Yugoslav and Czechoslovak products.

Intra-community surveillance procedures were granted by the Commission to Spain to monitor linen and other textile imports into the EC from the USSR. See *Europe*, March 3, 1991.

2. *Europe*, April 4, 1991, p. 7.

3. *Europe*, April 13, 1991, p. 8.

4. *Ibid.*

5. The present series of discussions in the framework of the General Agreement on Trade and Tariffs

ther issue of labour migration became another major sticking point because of the restrictive EC attitude.¹²

The same basic problems stalled the negotiations with Hungary. The fourth round of talks with Brussels foundered on agriculture, textiles and migration.¹³ "Fundamental differences still existed in June 1991 with deadlock on textiles and 'radically different approaches to the free movement of workers'."¹⁴

The greatest difficulties seem to be between the EC and Poland. While Commissioner Andriessen envisaged Hungary and Czechoslovakia as achieving Association status by the end of 1991, he could hold out hope only for 1991 for Poland.¹⁵

The prospect of full trade liberalization alerted the EC lobbies most vulnerable to an East European export drive, notably textiles and steel.

The European Community's textile and clothing industry employs some three million people and has an annual turnover of some \$150bn. Its output has been in decline since 1980, especially in clothing and the EC's trade deficit in textiles in 1989 stood at \$10bn. The industry occupies a particularly important place in the economies of the South European EC member states.

The threat of cheap labour

The industry is highly decentralized, involving about 100,000 companies, but the EC lobby, ELTAC (The European Largest Textile and Apparel Companies) has been clamoring since the start of 1990 about the threat from Eastern Europe which, together with the USSR, has about three times the EC's capacity and lower wages. ELTAC's leadership has argued that concessions could not be made to both Eastern Europe and Asia.

Some Western governments, notably the Italian, have argued that ELTAC's warnings are much exaggerated because of the poor quality of East European output. And the EC Commission has tried to argue that the opening of trade relations with Eastern Europe even offers new opportunities for the EC industry in the export field. But ELTAC has been successful in insisting upon a protracted transition (over at least ten years) towards full trade liberalization, a stance repudiated early on by all three East European governments negotiating on Association as unacceptable.¹⁶

West European steel interests, a much more tightly organized industrial group,

(GATT).

6. *Europe*, April 22, 1991, p. 7.

7. *Ibid.*, March 23, 1991, p. 3.

8. *Ibid.*, March 26, 1991.

9. *Ibid.*, February 13, 1991.

10. *Ibid.*, March 12, 1991.

11. *Ibid.*, March 21, 1991.

12. *Ibid.*, April 24, 1991.

13. *Ibid.*, May 3, 1991.

14. *Ibid.*, May 31 1991.

15. *Ibid.*, March 11, 1991.

16. *Ibid.*, March 20, 1991, p. 9.

TABLE 1: 1989 Steel Capacities

	raw steel capacity	rolled steel capacity	steel consumption
EE and Soviet	260m tons	200m tons	160m tons
EC	190m tons	145m tons	112m tons

Source: *Europe*, March 3, 1991.

were swiftly put on guard because of a Council decision to increase the quota of East European steel imports into the EC by 15% for 1990. Five meetings of Coreper were needed to approve a draft negotiating mandate to maintain this quota for 1991.¹⁷ Experts for some member states feared that this could allow East European industries to concentrate their exports in a few, particularly sensitive products and thus create disorder in the market. The Commission responded that member states could apply the safety rules if this happened.¹⁸

At the same time, stricter regulations for monitoring these imports were instituted, requiring the exporting countries to provide greater information before an import document is issued.¹⁹ But the Commission's efforts to lift the quota on pig iron were rejected by France and Spain, the EC's main pig iron producers.²⁰

To appreciate the scale of the "threat" from East European steel, we should note the figures for total steel production (Table 1).

The total quota for steel from Eastern Europe (excluding the USSR) for 1991 was set at 2,657m tons — just one percent of total EC raw steel capacity.

Flood of East European steel unlikely

The prospect of East European steel producers being able to flood West European markets if import barriers are removed does not seem to be borne out by research. One German study of the problem argues that high transport costs would prevent a major influx.²¹ Projections of EC economic growth in the 1990s would suggest that the extra steel capacity in the East could be absorbed.

But this is not the view of the EC's steel lobby. The President of the German Steel Association (The *Wirtschaftsvereinigung Eisen und Stahl*) spoke out in March against any rash liberalization of trade for East European steel. He declared that there was now huge over-capacity in steel across Europe and that rapid liberalization of imports would lead to massive defensive measures in the context of the GATT. He pointed out that the EC states are dependent on West European know-

how for updating their technology and such know-how transfer requires acceptance of consensus on trade matters.²²

The alternative proposed by the EC steel lobby is for the East European steel industry to be restructured. The big Western steel companies would be happy to cooperate in this and massive Western credits should be offered for the whole operation. In return for technical and financial aid, the East European countries will have to agree to reducing over-capacity and to either privatizing or at least adopting the management principles of privatized companies in those that remain nationalized. EC steel companies could train both the managers and the work forces of Eastern Europe, and Western experts could advise steel companies there on restructuring via on-site consultations. At the same time East European steel experts could be integrated into the West's steel organizations and participate in the work of their technical bodies.

The meaning of such proposals for restructuring has already been demonstrated in the former GDR. During 1991 output there has been reduced to 54% of its 1988 level. The workforce in the East German steel industry, which stood at 67,000 on July 1, 1990, will have dropped by 60% to 30,000 by the end of 1991.²³

The German steel lobby's proposals for fitting the industries of the two halves of

Europe together in the new European division of labour typify the approach of the private sector industrial giants of Western Europe.

The same general approach has been advanced by the Chemical industry lobby, CEFIC (European Chemical Industry Council), which has warned that efforts to achieve free market economies in Hungary, Poland and Czechoslovakia "must not be at the expense of the long-term viability of Western Europe's own chemical industry." It called on EC and EFTA governments to establish "imaginative" financial

support structures for Western companies moving into Eastern Europe, including investment guarantees, systems of tax relief and subsidized loans. The chemical industries of the West should ensure the creation in the East of legally constituted trade federations on the pattern of the industry in the West.²⁴

Such ideas mean in practise maintaining export barriers to the West while the EC's private sector decides which chunks of their East European counterparts to buy up and absorb into their own international operations.

The remainder of the given East European industry will then be scrapped with generous arrangements for redundancies, funded by Western aid. The enclaves of continuing East European output will then be modernized, again with public sector aid for the new Western owners of the East European plant. Such schemes avoid the risk of the future place of East European industry in the international division of labour being decided either on the market or through public planning by East European governments. The planning would be done by the private sector in the West.

EC deadlock poses political problems

Despite their resistance during the Association negotiations, East European

17. *Europe*, April 4, 1991, p.6. Coreper is the committee of top officials of the 12 that shadows the Council of Ministers. One reason for the delay was that the Commission insisted on the East European countries being allowed 30% flexibility between categories of steel products in 1991.

18. *Europe*, February 21, 1991.

19. *Ibid*, March 11, 1991.

20. *Ibid*, February 26, 1991. The UK and Denmark

were supporting higher steel quotas in general; France, Belgium, Italy and Luxemburg wanted to lower the 1990 quotas.

21. Helmut Wienert: "Die Stahlindustrie Osteuropas — Entwicklung, aktuelle Struktur, Probleme und Perspektiven" *RWI-Mitteilungen*, Jg 40, 1989.

22. *Europe*, March 3, 1991, p. 10.

23. *Ibid*, May 1, 1991, p. 13.

24. *Ibid*, April 25, 1991, p. 14.

TABLE 2:
Annual Capital Flows in Billions of US\$ over Ten Years

	Pessimistic	Middle	Optimistic
Eastern Europe	12	18	24
Eastern Germany	30	55	90

Source:

S. Collins and D. Rodrick: *Eastern Europe and the Soviet Union in the World Economy* (IIE, Washington DC, 1991) quoted in the *Economist*, July 6, 1991.

TABLE 3:
Total foreign investments
(registered at end of 1990)

Country	Number of foreign investments
USSR	3,000
Poland	2,180
Czech and Slovak Rep.	1,600
Romania	1,350
Bulgaria	140
Hungary	5,000

Source: *The UN Economic Commission for Europe's East-West Venture News*, no. 7 (Geneva).

governments will probably have to accept this approach so long as they continue to pursue integration into the Western market. But for Poland and Hungary, the deadlock with the EEC is probably more serious politically and also more difficult to overcome in the long-term. The agricultural sector is important economically and politically in both countries. Hungarian agriculture has been an outstanding success story in productivity terms since the 1960s and both countries would hope to gain substantially from the removal of tariff barriers on their exports to the West (Czechoslovak agriculture is far more geared to import substitution and the domestic market).

Yet agricultural tariffs are integral to the EC's Common Agricultural Policy (the CAP), the EC farm lobby is immensely strong, is facing a major challenge from the USA in the Uruguay Round of the GATT negotiations and is in no mood to sacrifice the CAP for East European farmers. The EC-wide farmers organization COPA (the Committee of Agricultural Professional Organizations of the EEC) has made this very clear.²⁵ The agricultural issue also poses major problems for any transition to full EC membership for a country like Poland.

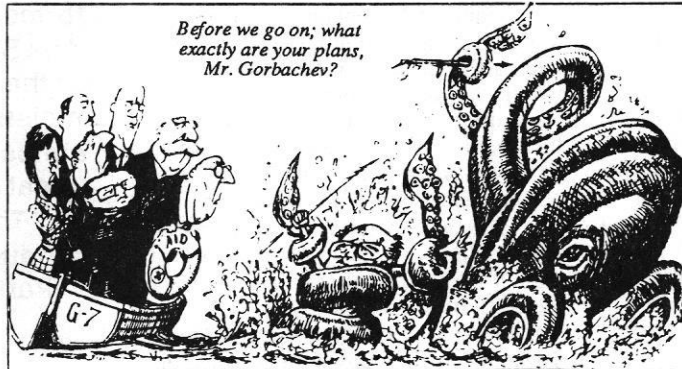
The Eastern European governments, also facing a mounting social and political crisis as a result of their first moves towards a capitalist market, blocked in key export sectors by EC tariff barriers and being offered restructuring projects involving huge redundancies for their still state-owned industries, see one way of easing their difficulties through gaining free movement of labour into Western Europe. Such an open door could ease the unemployment crisis (and the fiscal crisis linked to it), could gain hard currency earnings and could improve skill levels amongst temporary workers in the West returning to their country of origin.

But the principle of free movement of labour westwards on the part of countries

with Association agreements with the EC is being resolutely resisted by the 12 EC member states. They are already facing high levels of structural unemployment in their own countries, increasingly significant political backlashes against the social effects of the long-term economic crisis in Western Europe in the 1980s (the waves of riots in France in 1990-91

being one sign of this) and a growing far right mobilization around the theme of immigration (the Front National in France, the Republikaner in Germany, the Lombard League in North Italy, the Vlaams Blok in the Antwerp region of Belgium and so on).

In addition, the EC is already predicted to face a large increase in political migrants from the east. According to expert estimates, between 3.7 and 8 million people in this category are likely to move westwards in the coming years,



though not by any means all will be aiming to settle in the EC. The EC Commission estimated in January 1991 that some 800,000 politico-economic refugees could leave Eastern Europe for the Community each year between 1991 and 1996. The figures break down as follows: 1.3 million Germans from Poland and Romania and another 1.7 million from the USSR; 1.5 million Jews from the USSR (although few are expected to stay in Europe); a large movement of perhaps as many as nine million Armenians from Azerbaijan and Georgia (most wanting to go to the USA or France); and refugees from political violence against minorities brought on by economic hardship and nationalist ferment, especially against the

25. *Ibid.*, May 25, 1991, p. 14.

26. *Ibid.*, January 16, 1991.

27. *Ibid.*, January 26, 1991, p. 15.

28. Polish agreement to this was made a precondition for the abolition of visas by the Dutch and Belgian governments.

See *Europe*, March 26, 1991, p. 7.

2.5 to 4 million Gypsies in Romania and Yugoslavia.²⁶

There have been further worries about the danger of a mass exodus from the USSR or Romania as a result of near-total economic collapse. During the Cold War one of the most insistent human rights demands of the West on the Soviet government was for freedom of travel and emigration for its citizens; the demand was still being made a precondition for normalizing trade relations in the USA in 1991. But the Soviet government's readiness to legislate such freedom in the spring of 1991 caused some alarm in the West. The Soviet representative at a Council of Europe conference on migration in January reported that "we have learned through diplomatic channels that it would be appreciated if we slowed things up" over the passing of the legislation.²⁷

Against this background the EC has been taking a very restrictive stand against migrant labour from those states currently negotiating association agreements. The Schengen countries (Germany, France, Italy and Benelux) have agreed to the scrapping of tourist visas for Poles and to allowing them to enter for three months provided that they don't work.

But this agreement has been possible only because the Polish government has promised to accept the forced repatriation of Poles trying to stay beyond the time limit or to gain regular employment.²⁸

There has been strong criticism of the EC's stance on migration by human rights' lawyers. A conference in Brussels on January 29 on the problems of refugees organized by the European Parliament's Committee on Development and Cooperation and by the UN High Commissioner's Office for Refugees heard strong criticism on this score. Professor d'Oliveira from the European University Institute in Florence claimed the EC was developing a whole series of instruments violating the Geneva Convention which itself represents only minimal protection.²⁹ The Council of Europe has also attacked the EC's immigration policy, notably for its effects on youth mobility in Europe.³⁰

The prospects of gaining growth and modernization motors through diplomatic leverage with the European Community thus look bleak, especially for Poland and the Balkan states. The other dimension of economic relations with the West lies in the response of Western private capital to

29. *Ibid.*, January 30, 1991, p. 13.

30. The Secretary General of the Council, Catherine Lalumière, made this point forcefully, as well as criticizing the EC's entire attitude as restrictive. See the report of the Council of Europe's Vienna conference in January 1991 on this subject in *Europe*, January 25, 1991, pp. 15-16.

the new opening in Eastern Europe.

It is very difficult to make predictions about future capital flows from the West, but some general points are clear. First of all, the lion's share of Western investment will now go to the former GDR; it is likely to receive substantially more than all the rest of Eastern Europe put together over the next ten years. One study by the Washington based Institute for International Economics offers three estimates of capital flows, a pessimistic scenario, an optimistic scenario and a middle variant. (Table 2).

The authors consider that even the most optimistic scenario will leave Eastern Europe far behind the West in ratios of capital per worker after a decade.

In the meantime, East European governments have been seeking to involve Western capital through joint ventures and through the direct sale of state industries. There has been a substantial rise in the numbers of joint ventures since 1989. The most remarkable breakthrough has been in Hungary, where the number of joint ventures rose from only 1,000 at the start of 1990 to 5,000 at the end of the year. There has also been a noticeable increase in interest on the part of US companies in the USSR. The figures for joint ventures are given in table 3.

Joint ventures have little impact

But it is impossible to assess the significance of these totals, above all because many, in fact most, registered joint ventures are not, in fact, operational. The proportion in operation has risen from 25% at the start of 1989 to 42% by the end of 1990. But despite this growth, it seems that such joint ventures will not have a major macro-economic impact on any of these countries for some years.

Those attempting to lead the countries of Eastern Europe down the road of a rapid transition to capitalism are now under enormous social and political pressure in both Poland and Hungary as the social crisis and public disillusionment spreads. The social and political situation is perhaps less volatile in Czecho-Slovakia, but there is even more tension throughout the Balkans.

Awareness of this increasingly critical situation is probably most intense within the European Commission. Its external affairs officers have therefore been searching for ways of holding the line in Eastern Europe, especially by offering a more definite political perspective of eventual integration into the EC. But throughout the first half of 1991 the EC's Council of Ministers refused to give the three northern tier countries what they asked for: a definite commitment to their eventual membership.

The furthest that the Council would go in the Association negotiations was to allow the preamble to agreements to refer

to accession as an ultimate, though not an automatic, objective for the three countries. And conditions would have to be clearly spelt out: political (multi-party democracy, human rights) and economic (market economy) conditions will be in the preamble and the association council established will check that they are stuck to.³¹

The External Relations Commissioner has indicated a distinction between Czecho-Slovakia and Poland, saying that full Polish membership will not be possible "before the end of the decade at least" while hoping Czecho-Slovakia might become a full member before the end of the nineties.³²

Faced with the Council's intransigence, Andriessen has floated the notion of a so-called "Affiliate Membership", raising this possibility in April 1991, apparently off his own bat.³³ He suggested modifying the Treaty of Rome to allow this status; it would involve the rights and obligations of membership in some fields but not in others during a period of transition.

The promise of affiliate status

The affiliate would have a place at the Council of Ministers on an equal footing and adequate representation in other institutions such as the European Parliament. Such affiliates could rapidly take part in two fields; political cooperation and monetary affairs; they would gradually extend their participation to other fields such as transport, energy, environment, research, according to a case by case procedure.

In subsequent talks with Bulgarian Prime Minister Popov, Andriessen said that his concept of affiliate member would fit Bulgaria perfectly.³⁴

It seems that the German and Dutch governments have now also accepted the need to offer at least some of the East European states a definite commitment to eventual membership. The Dutch Foreign Minister, Hans van der Broek, has called for the East European states to be offered the perspective of joining the EC by the year 2000.³⁵

It is hard to imagine, however, that such a political commitment from the EC will be enough to reverse the trends towards political disintegration and social unrest in most of eastern Europe. It is more likely that the course upon which the Western countries have pushed the new regimes in eastern Europe will generate powerful political backlashes, whether of the right (pro-capitalist populist authoritarian forces) or of the left. Tensions are rising in Eastern Europe by the month. ★

31. Ibid, April 22, 1991, p. 7.

32. Ibid, March 11, 1991.

33. In a speech before the Eurochambers of Commerce Assembly. See report in *Europe*, April 20, 1991, p. 12.

34. Ibid, April 29, 1991.

35. Ibid, March 11, 1991, p. 4.

"Society feels free"

TWENTY months after the Velvet revolution of November 1989, the big decisions on the future of Czecho-Slovakia's economy remain to be taken. *International Viewpoint* spoke to Petr Uhl, a long-time human rights' activist and revolutionary Marxist, now head of the Czecho-Slovak state news agency, and former Charter 77 activist, Ana Sabatova, who works for the Czech social welfare ministry about the political atmosphere preceding the great economic changes.

The interview was conducted on August 28 in Paris by Colin Meade.

WHAT has changed in Czecho-Slovakia since the "Velvet revolution" of November 1989?

Petr Uhl: There has been a major change on the political level, broadly understood. Every member of Czech and Slovak society has gained a certain number of democratic rights, which might appear of marginal importance to outsiders but are very important for us. The right to travel, to read and listen to what we want, and above all to say and express what we want. There is freedom to demonstrate and hundreds of associations have been created and function. There are political organizations but also social associations — for example of disabled people or Gypsies who had no organizations before, apart from a brief renaissance in 1968. It is possible for people to formulate their collective and individual interests and it was not before. These democratic rights are legally guaranteed. Society feels free.

There is a negative side of course, with

the rise of nationalism and the xenophobic and racist far right, which also has freedom of expression, but even here there are laws which forbid the expression of xenophobia and racism beyond a certain limit.

The political system that is slowly being created more or less resembles that in Western Europe — a parliamentary system. But there are still many survivals from the velvet revolution, which was not a revolution by political parties and which envisaged a democracy founded on civic initiatives where the citizens would come together in the short or the long term to pursue their ends.

Of course, political parties would be permitted. Now parties have formed and are becoming stronger; they look to the forthcoming elections in June 1992 as the culmination of this process. They hope to form coalition governments that will rule for the four subsequent years.

However the main political forces in the country remain movements rather than parties; for example the Civic Forum (OF), the Christian Democratic Movement (KDH) in Slovakia or the regionalist movement in Moravia.

On the social level, people are preoccupied with their individual concerns. Industrial production has dropped by 30% over the past year, but there is no sign of a revolt against this — there have been no protest demonstrations or strikes. The fall in industrial production is partly due to the run down of the military industries.

The drop in living standards mainly affects wage earners. On the other hand there are the new entrepreneurs, who are often using money that they have effectively stolen in the form of Communist Party property, or people who have obtained their money illegally. People talk about and criticize the "economic mafia".

The big enterprises have not yet been privatized. There is a law envisaging several methods of privatization, such as joint stock companies involving the employees.

However until now it is such things as services, garages, restaurants or transport that have been privatized. There is also of course production and economic activity which escape the statistics, due largely to a lack of legal mechanisms for taxation and control.

Nobody knows what will happen when the de-statization really gets underway.

■ And social services?

Ana Sabatova: They have on the whole changed for the better since the end of the dictatorship. Gaping holes in the social services — such as for example for the rehabilitation and social reinsertion of the disabled — have been filled. On the other hand, the creation of a labour market means that a growing number of disabled people have lost their jobs despite the law, which calls on employment agencies to give all possible support to the disabled.

There is a governmental commission which is looking at ways to change the law in favour of the disabled. I work above all for the disabled in the Ministry.

Petr Uhl: The problems not only of the disabled but also of pensioners and other marginalized groups have finally been brought into the open and discussed. The disabled were previously considered unsightly and hidden away.

There are also changes in education, which is becoming less authoritarian. Comparisons with education in the West were always uncomfortable for us. Here there were things that were obligatory and things that were forbidden and that was that.

This was as true for the teachers as the pupils. People were not educated to be independent. Teachers now have more responsibility and liberty in what they teach and how.

■ Do the social and public services face big financial problems?

Ana Sabatova: In our ministry the minister has been putting pressure on officials to spend more and create jobs. We ended up under-spending. Money is directed towards the sectors that seem the weakest. There is no inflation at the moment.

In fact prices were lower in July than June this year, for the first time since the revolution. Purchasing power has also fallen, of course.

■ Does the political system work? If laws are passed, are they implemented?

Petr Uhl: On the whole yes. However, in the new business sector laws are often avoided when they exist at all. It takes between three and six months to get a new law into action. The country is not run by decree!

Various bodies can propose a law — a deputy, the Federal Government, the Czech and Slovak governments and the President. Then there is an inquiry, then there are the parliamentary committees, and then back to the parliament for discussing, amendment and vote.

Political laws and the penal code are more or less respected. However in some cases the courts drag their feet, especially where rehabilitations are concerned, whether from overwork or because many prosecutors were involved in the former regime. Constant pressure from above and from the public is needed.

Ana Sabatova: It is very difficult to control a situation where everything is changing. Imagine a centre for social security using old technical methods. Here it is necessary to recalculate all the pensions and allowances for the Czech Republic every six months.

Every time a pensioner is rehabilitated they are offered two forms of recompense. Announcements have been put in the press apologizing for delays because there are simply insufficient resources to

keep up. There are big practical and material problems, but it is by no means anarchy.

■ What is Havel's role in political life?

Petr Uhl: Czechoslovakia does not have a presidential system. Nonetheless Havel interferes too much. Each week he makes a speech on the radio giving his views on various topics, and given his enormous moral authority this influences political life.

This also means that his popularity is dropping, because he does not remain above the battle. He doesn't say explicitly who he supports, but his views are clear. However each time he has tried to increase his formal power, the parliament has refused.

For example on the referendum law Havel wanted a variant that would give him more power, but this was rejected. It is the parliament that decides. It is more like Germany, Austria or Italy than France or the United States.

Havel is more favourable to the [centre] Civic Movement than to Klaus' Party of Civic Democracy [centre-right].

■ In the Soviet Union, Boris Yeltsin celebrated his victory after the failed coup by suspending the activities of the Russian Communist Party, seizing its property and closing several newspapers.

Has there been an anti-communist wave in Czecho-Slovakia? How do you feel about the issues of justice and revenge in relation to former and present members of the Communist Party and supporters of the old regime?

Ana Sabatova: There were a number of attacks by sections of the population calling for the Communist Party to be outlawed.

Petr Uhl: And to define the Communist ideology as criminal. The Federal Assembly refused to pass a law relating to the previous 40 years, but it issued a statement denouncing the Communist ideology as criminal and discredited. There have been a number of conflicts on this issue in the parliament, but the right is not strong enough to introduce laws contradicting human rights.

We have mainly relied on the argument that such laws would be contrary to European standards of human rights, the Charter of Basic Rights and Freedoms, and everybody wants to be a part of Europe. Neither right nor left has been able to pass the kind of laws on this subject that they would want.

Of course you can hear people saying: "there are three kinds of Communist: the present-day Communists, a lamentable fact but they represent 15% of the population, they are in parliament and it is a constitutional and parliamentary party.

"Then there are the Communists of yes-



TO BY MOH ŘÍCT KAŽDEJ, ŽE JE STARŠÍ, OPUIŠTĚNĚJ LEVICOVĚJ INTELIGENTŮ.
UKÁŽTE MI LEGITIMACI!

Caption: "Anyone can claim to be an old, destitute leftist. Show me your identity card!"

terday who handed in their party cards just after November and who are more dangerous having changed their hat; but the most dangerous are the Communists of the day before yesterday, that is the 1968ers. They are still caught up in the reform communist ideology and continue to seek a third way between Socialism and capitalism."

There are many people of the third category in the government and parliament and this is a source of tension.

We are still awaiting the new law on the investigations of the secret police files — the question of "lustrace".

What is involved is a *Berufsverbot* law which might mean that certain people who had held certain functions in the CP would be put outside the law for a period of perhaps four years and be unable to take up certain jobs; or it might say that someone who had worked for the secret police and had harmed somebody cannot take up definite posts in the state, and if they stand in elections, the electorate will have the right to know about this past.

These are two different conceptions — individual or collective responsibility. The latter is reflected by the proposal to publish the names of everyone who worked for the secret police in a sort of telephone book. This latter proposal however I do not think will be realized.

The Kavan affair¹ also had an impact on thinking on this question in parliament.

Ana Sabatova: The Czech National Council [the Czech government] set up a commission to control personnel changes in the state. It drew up a questionnaire which was sent to all those officials appointed by ministers — section heads, advisers and so on.

The questionnaire included the questions "What political parties have you been in and when?" "Have you been a member of any social organization, during which period and which one did you belong to?" "When were you abroad and where?" — that is, have you spent time in the Soviet Union?

This questionnaire arrived in our ministry together with a letter instructing all the employees concerned to fill it in. I wrote

an open letter to the president of the commission, Vaclav Zak, in which I pointed out the relevant sections of the labour law and the Charter of Human Rights that were broken by the questionnaire.

One of the dangers that the questionnaire presented was that it would permit agencies outside the ministry to put pressure on the minister to sack employees. This open letter was only published by *Rudé Právo* (the former Communist Party paper) and *Ceteka* (the official press agency). But the commission dropped its illegal questions.

Petr Uhl: My conclusion is that protest against an injustice can achieve its goal here! These seem like small things but they are very important. The revolution did not take place because the economy was collapsing — the Czechoslovak economy was not collapsing — but for democratic rights for individuals. And this must mean all individuals, not just the victors. There should be laws which protect human rights and these laws should be applied; nothing else.

Ana Sabatova: Some people are not happy with this situation and want revenge, but this is unacceptable.

■ There is also the question of the restitution of property seized after 1948. What is right?

Ana Sabatova: It doesn't exist as far as this question is concerned. I do not think that property should be handed back. I know that many people suffered injustice during the 1950s, above all small owners, but nonetheless after 40 years it is not possible to make amends by handing back property.

This simply implies new conflicts with social interests, for example, in the sphere of education or medical care. The law has set a delay of ten years in such cases, but eventually the ten years will be up and the issue will have to be decided.

Petr Uhl: I supported limited restitution, above all for people whose small properties — restaurants, shops, homes — had been confiscated and who had furthermore often been sent to prison.

But I voted against the notion that even in such cases the property should be given back to the brother for example. It should apply only to the individual and afterwards his or her children, but no more.

Ana Sabatova: The right to property was given to too large a spectrum. Members of collective farms have always had the legal right to return to their land. Only a small proportion of the land was confiscated outright — most farmers were pressurized into the collectives in various ways, but it is the collectives not the state that owned the land.

Petr Uhl: Attempts to right old wrongs in this sphere lead to new ones. Thus it is very difficult to decide. There are three social groups involved: those who are not affected, those who are pursuing claims — which is not always easy — and those who will be adversely affected by such claims.

Ana Sabatova: We don't actually know if the house we live in will pass into the control of the local administration or whether it belongs to someone who will reclaim the ownership.

■ What was the reaction in Czechoslovakia to the recent coup attempt in the Soviet Union?

Ana Sabatova: People were very concerned by the danger of the victory of the putschists. There was a fear that the conflict would end with civil war — which is not yet ruled out.

I have a high opinion of Yeltsin. He called for people to respect and defend the legally elected organs and stated that the putschists were illegal. This meant a lot in a situation where the democratic forces were not well organized. It is also the case that people answered his call; without that of course Yeltsin's actions would have been wasted.

Petr Uhl: There were two main fears in Czechoslovakia; one was of a wave of immigrants from the east and the other was anxiety about the economic impact of the crisis in the Soviet Union, on which Czechoslovakia depends for raw materials. There was no great fear that similar events could happen in our country.

The right used the events to launch — after the defeat of the coup — a new campaign against the Communists and the Communist ideology, demanding the recall of the heads of the TV, the radio and *Ceteka*. ★

1. Jan Kavan is presently a deputy in the Czechoslovak federal parliament. In the 1970s and 80s he headed the London-based Palach Press agency which disseminated material from the Czech and Slovak dissident movements and gave information about human rights issues in that country, as well as organizing the transport of exile and banned literature into Czechoslovakia. He was accused of working for the Czechoslovak secret police by the commission entrusted with investigating deputies. He vigorously denies the charges, which are based on thin and extremely ambiguous evidence. The case has raised questions about the whole procedure for *lustrace* ("exposure").

Italy and the Albanians

THE current crisis in Albania is a terrible confirmation of the impossibility of "socialism in one country". The postwar leadership of Europe's poorest country, a fragment of the Afro-Asian world inserted in the Balkans, decided on a completely unrealistic policy of political isolation and economic self-sufficiency.

But the consequence of this has been an even more extreme subordination to the world capitalist system. The "socialism" imposed by the Albanian Party of Labour, on a territory which has much in common with poor regions of Italy such as Sardinia or Basilicata, has exposed the country to the risk of a profound dependence. After escaping from direct dependence on Yugoslavia and the Soviet Union, and after the failure of the link with China, Albania faced a stark choice: either an impossible return to a purely subsistence pastoral economy or the development of relations with the capitalist West.

ANTONIO MOSCATO

THE very modest opening made in this direction has been sufficient to worsen the situation. The machines and products bought on the international market (especially in Italy) have proved to be very expensive. Unequal exchange widened the gap that was supposed to be being overcome.

In 1989 Albania had one vehicle, including trucks, for every 230 inhabitants (compared to one per 2.4 in Italy, one per 6 in Greece and one per 33 in Turkey). Every statistic reveals the same enormous gap between Albania and its neighbours — including Yugoslavia where there is one vehicle for every 7 inhabitants. The only area where the gap is not so vast is in televisions (one per 14 people in Albania compared to 1/4 in Italy, 1/5 in Yugoslavia, 1/6 in Greece and 1/8 in Greece). This opium of the poor was very widely distributed. Since local productions were both rare and poor, most Albanians with a TV stayed glued to the transmissions of the Italian stations, both the state channels and the poor-quality efforts of the private channels in Apulia.

Intoxication with the televised image of Italy thus provided was not of course the basic cause of the mass emigration, which is simply poverty, but it probably had something to do with the choice made by this wave of emigrants, among whom were many lumpen and marginal elements who saw an opportunity to get rich quick.

After initially encouraging the exodus the Italian authorities were gripped by panic. Everyone has seen the photographs which reveal a shameful lack of any assis-

stance. All the work to feed, clothe, care for and house the first wave of Albanians was done by private citizens, first of all by charitable organizations, both Catholic and lay, and then by ordinary citizens, or members of political organizations, including Democrazia Proletaria, Rifondazione Comunista, the PDS (the ex-PCI), the parishes and even by some circles tied to the local mafia. Everybody, in short, except the state, which was represented by confused and unprepared *carabinieri*, by soldiers who were not up to the job and by police units charged with keeping order in the camps where the Albanians were placed and where tension rapidly mounted.

There are several reasons for the state's total inefficiency. The simplest and most generally applicable is the following: as in other regions of the south of Italy, the state is absent (*latitante*) in Bari, while the Mafia in its various local forms has an omnipresent and efficient network. A further reason was the decision to treat the Albanians like animals in order to discourage further emigration. They were herded together in dormitories and no proposals were made about finding them work, although some young Albanians were recruited by the mafia, who control cigarette smuggling.

Some hotel and restaurant owners and small agricultural business people gave work to Albanians — eight to ten hours a day for a meal and 30,000 lire (\$25). But these did not amount to real perspectives. This exasperated the refugees, who protested and launched hunger strikes, or escaped and hid, or even accepted their

Welcome to Bari

THE past few weeks have seen a significant hardening of the already inhuman treatment by the Italian authorities of Albanian refugees arriving in the country. On August 8, for the third time in 1991, thousands of Albanians stormed ships in harbors and sailed to southern Italy. Italian authorities refused to let them land, but the freighter *Vlora* ran the blockade and some people tried to swim ashore. Every inch of the ship was packed, with some refugees even hanging onto the masts.

The Albanian government responded by putting four ports under military control, whilst the Italian authorities began the immediate deportation, by plane and boat, of over 10,000 Albanians who had arrived in the southern Italian port of Bari and elsewhere in the previous week. Prior to deportation refugees were kept enclosed at the dockside or in Bari's soccer stadium, under the hot August sun with little food and no toilets.

On August 11 clashes broke out between the refugees and Italian police; the police responded to the sticks and stones thrown by the exhausted and emaciated refugees with gunfire, tear gas and baton charges. In an implicit rebuke to the authorities, Pope John Paul II said that "no one can remain indifferent" to the refugees' suffering. Meanwhile, those refugees deported to the Albanian port of Durres were being scrutinized by uniformed Albanian troops on the look out for army deserters.

On August 13 Italian President Cossiga offered food aid to Albania in an attempt to defuse the crisis, but more significantly offered the services of the Italian navy to assist Albania in patrolling its waters for refugees.

On August 14 Italian authorities decided to allow some Albanians who had refused repatriation to stay. 1,000 refugees were transferred from Bari to northern Italy, and will stay there while immigration officials review their applications for asylum. ★

disappointment and asked to be sent home.

Under these conditions, a few refugees — whose importance was massively inflated by the Italian media in order to undermine the expressions of support from the local population for the emigrants — took refuge in primitive behaviour; there were clashes between rival

gangs and rapes of the few women in the camps, as well as of some Italian women. These episodes were used to mark a whole people as criminals.

This was not only done by the capitalist press: *l'Unità*, the PDS daily, made use of a rape by seven Albanians to denounce the "passivity" of minister Boniver. Mixing this attack up with a legitimate protest by 23 Albanians destined for Rocca Pia, a village of several hundreds near to L'Aquila, *l'Unità* concluded: "the situation has become intolerable. The Albanians ravish and rape. In Pescara six were arrested during a dispute." Such reporting laid the groundwork for the "finding" that 81% of the paper's readers were in favour of sending the Albanians back.

Some of these readers made explicit reference to the fate of the many Italians who were obliged to emigrate in the past, drawing the bizarre conclusion that the Albanians should suffer the same privations as those old Italian emigrants and expressing their support for the government doing nothing to render the arrival of the Albanians easier.

Economic and political refugees

As is becoming the fashion, the argument that these were economic rather than political refugees was deployed as if it removed any consideration of human solidarity. There were also, no doubt, some who could not overcome their rancour against people who had failed to appreciate the qualities of socialist austerity and had allowed themselves to be seduced by the sirens of the consumer society.

And just about nobody recalled the contribution made by Italy to Albania's backwardness, although Italy exercised semi-colonial hegemony over that country from 1912 to 1939 and occupied it outright after April 7, 1939.

In fact the period of semi-dependence was just as destructive as that of the union, which was followed by the coronation of Italy's King Vittorio Emanuele III as King of Albania — at the same time as another member of the king's Savoia family took the head of the Croatian puppet regime.

After 1939 the Italian presence in Albania (and, after 1941, in Slovenia and Croatia) took the form of pillage, violence and participation in the deportation of the Jews. However its negative impact dates from the preceding period. First of all, there was the corruption of the functionaries of the gangster-king Zog, who was ready enough to accept Italian "loans". The heads of the country's three religious communities, the Muslims (mainly Sunni) and Catholic and Orthodox Christians were also bought off by Italy. But "the economic concessions and the network of interests created by the Italians in Albania were not translated by a parallel augmentation of political influence and strategic control over this little Balkan country".

On the contrary, on the financial plane Italy's intervention in Albania was a loss-making enterprise, particularly during the period prior to the 1939 invasion.¹

The same goes for the economic and political penetration by Italian imperialism of a whole series of other Balkan or central European countries, as also for Italy's colonial conquests, all of which cost more than what they brought in. It did not amount to charity. They cost the state finances dear above all because of a plethora of intermediaries, of merchants, of lumpen capitalists, of con men and bordel proprietors who took all they could for themselves and left the crumbs for the indigenous clients.

Royal parasites

The activities encouraged by Italian funding were — apart from the exploitation of very modest mineral resources — largely parasitic. The bulk of the profits stemming from the exploitation of silver and the multiplication of Italian interests were appropriated by the king (even if this policy finally cost him the throne). "Through gifts and Italian concessions, he could pay the wages of the employees of the state apparatus, remunerate his guards, maintain the court and satisfy the caprices of the royal family".²

The debts accumulated by Italy through this policy led to the consensus of the state apparatus in its totality in favour of the 1939 aggression against Albania. Naturally, the fundamental cause of this was a thirst for glory on the part of Mussolini, obsessed by the success of his colleague/ally/rival Hitler — but it also appeared as a good measure of rationalization. This did not turn out to be the case. Firstly because, in order to gain support, the occupiers considerably increased the number of employees of the Albanian state (from 6,000 to 18,000, following the example of the measures already adopted by fascism in Italy). Moreover, corruption, already very widespread, increased after the invasion.

The number of Italians resident in Albania went from 1,200 in 1938 to 70,000 during the war with Greece (12,000 permanent residents, more than 58,000 workers engaged in public works linked to the war). The majority of these workers were paid salaries which, while fantastic in relation to those of the Albanians, were nonetheless insufficient to satisfy their needs, which explains the weak productivity of the workers and the limited duration of their Albanian stay.

While bringing no significant benefits either to the state coffers or the occupied workers, the presence in Albania of several hundred Italian firms, particularly from 1940 onwards, was enough to damage the artisanal sector of the Albanian economy and to engender a high rate of inflation.

Already, before 1939, the numerous Albanian clients of the Italian coffers had

shown no particular gratitude, largely because they understood that the donations were not disinterested; after the occupation manifestations of open hostility (before the beginning of a genuine resistance) multiplied at every level. Even the Catholic church, which in the past acted as almost a "fifth column" of the regime, became more intransigent, suspecting the governor, Jacomoni, of being "pro-Muslim" (simply because he financed the other confessions in a proportional manner, and thus gave priority to the Islamic faith to which 70% of the population adhered).

The Italian defeat (caused first by the Greek campaign, where the Italian armies, in spite of their numerical and military superiority, were pushed back to the heart of Albania by the Greek resistance, and then by the decay of the Italian army following the armistice of September 8, 1943) impelled Nazi Germany to occupy Albania, important in the context of the war as much for its modest oil resources as for its much more considerable reserves of chrome. Contrary to the legend of the "good Italians", the Germans were given almost a favourable welcome, at least by the conservative forces. Very many patriots (with the exception, obviously, of the Communists) who were fiercely Italianophobic, nourished initial illusions in the new occupants, who conceded more significant margins of autonomy than those granted by the Italians, and permitted reunification with the Albanians of Kosovo.

Albania and Nazism

Moreover, Nazi Germany was more effective than Italian fascism in its efforts to seduce the Muslims (the Italians were already exposed because of their behaviour in Libya, colonized in 1912) and a number of Albanian politicians proclaimed their adherence to an "Aryan race of Illyrian stock".

The resistance would soon strip away the mask of the occupiers. In any case, Italy abandoned the country leaving terrible memories and a completely dislocated Albanian economy, weakened still further by the depredations of the war (for which the inhabitants were in no way responsible, and which left permanent scars on their country).

It is, then, not totally absurd that a part of the Albanian population (usually the least politicized and the least cultivated elements, who are thus easy prey to the modern myths carried by the media) now thinks it can resolve its problems by demanding aid from a "rich" Italy, which owes such a heavy moral debt to their country. ★

1. Roberto Morozzo Della Rocca, "Nazione e religione in Albania (1920-1944)", Il Mulino, Bologna, 1990, p. 153.

2. *Ibid.*, p. 156.